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ABSTRACT

A study examined current practices in purchasing nonmedical, vocational rehabilitation (VR) services from public and private VR facilities. Questionnaires were mailed to the 83 State VR agencies. The majority of the 57 respondents used the individual authorization without a contract or written agreement as a primary method of obtaining facility-based services. Most of these agencies offered no assurance with this type of method. Most State agencies indicated satisfaction with the type of service arrangements being used. The most popular method of determining a rate for services involved a facility-specific rate. Purchasing a unit of time was the most popular way of quantifying services purchased. Most agencies allowed facilities to renegotiate costs associated with providing a service to the State agency after the terms of the service arrangement were agreed upon. Half the general agencies felt that a uniform nationwide system to determine costs associated with facility-based services should be established, whereas most of the agencies serving blind clients did not see a need for such a policy. (Appendixes to this report include the survey form, the survey followup letter, additional descriptive statistics, VR case status definitions, State agencies responding to the study, and a table summarizing sources of data for selected survey items.) (MN)

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Research Report

Research and Training Center

Fees For Services: Principles and Practices Among State Vocational Rehabilitation Agencies and Facilities

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INTRODUCTION

Written service authorizations have historically served as the primary vehicle with which to purchase facility based, rehabilitation services for clients of the state vocational rehabilitation (VR) agency. This authorization, is an acknowledgement that the facility will receive the identified fee upon the delivery of a service element (i.e., work evaluation, work adjustment etc.).

Through the years, as service delivery systems became more sophisticated and as dollars became tighter, many rehabilitation agencies began formulating contracts or service agreements with facilities which in turn governed the use of the individual authorization. Today, the variety and extent of statewide services to be purchased on an annual basis, may be controlled by state agency/facility agreements or contracts, or the state may continue to use a service authorization without a contract or written agreement as a means of securing facility based services.

Under the broad, general guidelines established by the federal government, individual states have developed unique mechanisms of making service arrangements with rehabilitation facilities in order to arrange for facility based services. Although similar types of rehabilitation services are available throughout the nation, the manner of arranging for and monitoring of the services being purchased by state VR agencies varies widely. The variety and extent of the services also shows considerable variability between states as well.

In order to explore these issues the present study examined the various methods and practices used by state VR agencies to develop and monitor working arrangements with facilities. This study also investigated the facility services being purchased nationally by state VR agencies, using various types of service arrangements. The views of state agency directors on policy issues pertaining to establishing fees for services and developing uniform cost principles important to the development of working agreements and contracts were explored as well.

LITERATURE REVIEW AND DEFINITION OF TERMS

HISTORICAL BACKGROUND

The relationship between state vocational rehabilitation agencies and vocational rehabilitation facilities has its roots in the early governmental initiatives which promoted services for the handicapped by allocating funds for their vocational rehabilitation (Nelson, 1971). The Soldier Rehabilitation Act of 1918 was the first significant Federal act for people with disabilities in the 20th century. This act initiated the movement of providing vocational related services to disabled Americans, by offering VR services to disabled veterans (Ashley & Bensberg, 1981). This act was followed by the National Civilian Vocational Rehabilitation Acts of 1920 known as the Smith-Fess Act, which promoted the vocational rehabilitation of persons disabled in industry and otherwise (LaVor, 1976). Because of limited dollars available under these acts, state VR agencies were encouraged to cooperate with other public and private non-profit agencies to secure the services authorized under this legislation (Ashley & Bensberg, 1981). It was at or about this time that state VR agencies, which were being created with public dollars, began forming strong relationships with private rehabilitation facilities. The relationships between the various state VR agencies and the facilities in their locale continued to grow over the next half decade (Coker, C., McCray, P., Czerlinsky, T., & Gilbertson, A., 1984).

The Vocational Rehabilitation Act Amendments of 1965 subsequently provided another major boost to the formation and expansion of cooperative relationships between state agencies and private rehabilitation facilities by providing funds to build facilities using federal funds. "The 1965 amendments also mandated state-wide planning of sheltered workshops and other rehabilitation facilities by state VR agencies" (Whitehead, 1977, p. 47).

The growth of facilities, which began in the early 1900's, progressed at an accelerated rate throughout the 60's and 70's (Coker et al., 1984). VR agencies in states with the population base to support rapid facility growth, developed working relationships with numerous such facilities. "This growth and expansion was coordinated by a new group of rehabilitation technicians, referred to as rehabilitation facilities specialists. These individuals were charged by the revised Rehabilitation Act with the responsibility for

carrying out an orderly program of expansion and improvement of sheltered workshops and other rehabilitation facilities" (Whitehead, 1977, p. 28). Facility specialists provided a linkage between the state VR agency and the facilities that were providing services to their clients.

As facilities continued to prosper, they began to develop other mechanisms of funding and other sources of referrals in addition to the state VR agency. The purchase of services by school systems, county agencies and private industry broadened the scope of services offered by the facility. As the nature of the relationships between the state VR agency and the facility began to change, methods of projecting the anticipated service needs at least a year in advance became more important to both parties, since staff in some facilities were co-funded by two or more organizations. Financial forecasting by the facility became an increasingly important aspect of administration of rehabilitation facilities.

THE FACILITY/STATE AGENCY RELATIONSHIP

A review of the literature in the area of facility and state agency relationships reflects a general lack of comprehensive studies. Several publications were reviewed which outlined the authors' perspectives regarding the development and ongoing relationships involved in establishing working agreements, although the literature review failed to discover any studies which comprehensively examined the common practices of the state VR agencies in the area of establishing and monitoring relationships with facilities.

Baxter (1972), in a document sponsored by the Council of State Administrators of Vocational Rehabilitation (CSAVR), related the policies being promoted by CSAVR relative to the users of rehabilitation facilities in serving individuals with handicapping conditions. This paper summarized the function of state VR agencies as follows (Baxter, 1972):

1. The evaluation of disabled and other disadvantaged individuals and the provision of comprehensive vocational rehabilitation services to those eligible under rehabilitation legislation.

2. Continuous statewide planning directed toward current assessments of the needs of handicapped individuals and how these needs can be most effectively met.

3. Exercising leadership in the development of facilities and programs needed in the rehabilitation of the handicapped.

4. Developing and maintaining cooperative relationships and programs with public and private agencies in the state and its communities.

5. Performing functions related to federal acts in addition to the Vocational Rehabilitation Act, such as providing minor medical services for persons served under the Manpower Development and Training Act, making disability determinations for the Social Security Administration, and making certifications to the Department of Labor under the Fair Labor Standards Act with respect to certain activities in workshops and as to the earning capacity of handicapped individuals who have completed training or evaluation programs.

6. Exercising leadership in research and in the training of individuals who are to serve handicapped individuals. (pp. 1-2)

Baxter (1972) also stated:

The role of the rehabilitation facility in vocational rehabilitation may be summarized as follows:

1. In numerous cases, the rehabilitation facility is needed to assist the vocational rehabilitation agency in determining the rehabilitation potential of the individual, with special emphasis on his work potential.

2. Rehabilitation facilities are needed to provide vocational training and adjustment services for many vocational rehabilitation clients.

3. The facility is needed to assist in making determinations of disability for many individuals making application for old age and survivors disability benefits and, as already indicated, to provide similar services for applicants for welfare benefits.

4. The facility constitutes a laboratory in which research into the problems and needs of handicapped individuals may be conducted, and the rehabilitation facility may, itself, conduct pertinent research of value to vocational rehabilitation agencies.

5. Likewise, the rehabilitation facility constitutes an admirable laboratory for the training of staff, not only for working in rehabilitation facilities but for working in vocational rehabilitation and related agencies.

6. The rehabilitation facility can share with the state rehabilitation agency the role of advocacy for the handicapped individual.

7. Since it provides a place where one can see handicapped people actually undergoing the process of rehabilitation, it can acquaint the community with the needs of the handicapped, what is being done to help them, and how the needs may be more effectively met. (pp. 2-3)

Baxter further described a five phase process which outlined a method which could be used by state VR agencies and facilities to "work out agreements satisfactory to both and conducive to the welfare of the handicapped individual for whom they are concerned" (Baxter, 1972, p. 10). This five phase approach to establishing working agreements was one of the first attempts to document the practices related to the arrangement of facility services other than the operations manuals created by the individual state agencies. Due to the fact that the process described reflected the process frequently used by state VR agencies then and now, it is cited for the reader in its entirety (Baxter, 1972).

Phase 1. A careful study will be made in each rehabilitation agency field office of the utilization of rehabilitation facilities during the preceding 12 months. The study will be designed to show not only the numbers of clients served in rehabilitation facilities, but the nature of the disabilities of such clients, the nature and scope of the services they received, the regularity or irregularity of the flow of such clients to rehabilitation facilities, and other information needed to ascertain what the need of the agency will be for rehabilitation facility services in the coming year.

Phase 2. The rehabilitation agency staff will identify the rehabilitation facilities which it considers to be competent to provide the rehabilitation facility services that will be needed by the agency during the following year. This will include not only facilities used in preceding years but other facilities which are thought to be competent to serve agency clientele effectively. The rehabilitation facilities which are identified will be notified of the intention of the rehabilitation agency to work out with the rehabilitation facility a contract, or memorandum of agreement. The facility will be requested to have available financial records and caseload statistics which may be reviewed by the rehabilitation agency staff as it works with the rehabilitation facility in identifying specific services which will be needed by the rehabilitation agency and in developing approximate costs of the facility in providing the services.

Phase 3. A meeting will then be held involving the facility administrator, selected members of the facility staff, representatives of the state rehabilitation agency at administrative, supervisory, and counseling levels, and, of course,

the rehabilitation facility specialists for the area. At this meeting, there will be a thorough discussion of the needs of the vocational rehabilitation agency for the ensuing year, based upon previous experience and projections of clientele and funds for the following year. The rehabilitation facility staff will describe the types and number of its personnel, and the material and equipment, etc., that it expects to have available to provide the services that are needed. If there is to be the need for additional personnel and additional materials and equipment, this fact will come out at this time. Information gleaned at this meeting will be used as the basis for developing a contract, or memorandum of agreement between the state rehabilitation agency and the rehabilitation facility.

Phase 4. On the basis of information secured in the phases discussed above, a contract, or memorandum of agreement between the rehabilitation facility and the rehabilitation agency will be developed. This will specify the number of rehabilitation clients to be served, the nature of the services they are expected to receive, and what the rehabilitation agency expects to pay for the services that are provided. For instance, it may specify that 100 clients will be sent to the facility for vocational evaluation and work adjustment services averaging three weeks per client at a cost of $200 per client. It will guarantee that the state agency will pay for such services, utilizing an agreed-upon payment schedule. It will specify how claims for reimbursement will be made by the facility and the procedures to be followed by the rehabilitation agency in making payments. The contract, or memorandum of agreement will also specify how it may be amended during the course of the year. It will also specify the relationship of state agency personnel to the personnel of the rehabilitation facility, such being designed to maintain effective contact throughout the time specified.

Phase 5. At the end of ten months the state agency and rehabilitation facility staff will meet to review and evaluate the results. At this time, plans will begin for the negotiation for a new contract, or memorandum of agreement for the following year. (pp. 10-12)

The impact of the aforementioned document, was to stipulate a standard, publicly documented procedure for establishing working agreements between state VR agencies and facilities. Although subsequent publications have elaborated on the specific processes used in establishing facility based services (The Fourth Institute on Rehabilitation Issues, 1977; Walker, R., Prazak, G., Prazak, J., 1981), the basics of the process described by Baxter (1972), continue to experience widespread use and support by the state VR agencies.

A document entitled Rehabilitation Facilities: A Resource in the Vocational Rehabilitation of the Severely Handicapped (The Fourth Institute on Rehabilitation Issues, 1977) discussed the relative importance the five phase process described by Baxter (1972), and also introduced the concept of pricing of the facility's services. The issues surrounding two pricing mechanisms, those of providing a full reimbursement for all costs associated with a particular service, and the practice of charging a predetermined fee for the service were the two pricing mechanisms discussed. This document, which chiefly focused on the services provided within rehabilitation facilities, did not elaborate on the details of these pricing mechanisms, nor did it address the prevalence of these practices.

A publication of the National Association of Rehabilitation Facilities (Walker et al., 1981) expanded upon the practices discussed in both of the aforementioned publications and produced a document that comprehensively addressed a number of issues surrounding the establishment and enactment of working relationships between the state VR agency and facility. This publication, which was the most comprehensive in terms of the needs of the present study, provided definitions of terms which needed to be addressed in this study, although it did not discuss the prevalence of the various practices which it described. References to this publication are used periodically throughout this report, in order to describe a number of practices currently under study.

CRITICAL ELEMENTS IN THE ESTABLISHMENT OF WORKING ARRANGEMENTS

Much of the information presented in this document describes programs and procedures common to most individuals familiar with the field of vocational rehabilitation. However, some of the terms and issues being used in this report are rather unique to the establishment of working agreements between VR agencies and facilities and therefore require some elaboration.

When examining the working arrangements between rehabilitation facilities and state agencies, there are several issues that are important to consider. These issues include: the methods of arranging for facility services; the pricing of services; the methods of monitoring the costs associated with purchased services and the renegotiation of these costs if necessary; the source of the dollars used to purchase services; the percent

of the state agencys' total active caseload being served in facilities; and the method of purchasing the services (i.e., by the day, slot, or outcome). Each of these issues will require some explanation in order to understand the focus of this study.

METHODS FOR ARRANGING FOR FACILITY SERVICES

Limited information was available through periodicals, books, and similar publications regarding the methods used to arrange for facility services. A review of the procedure manuals used by individual state agencies was therefore initiated. A review of the materials from twelve state agencies and a subsequent discussion with representatives from each of the states, revealed that there appeared to be four prominent methods being used within these states as well as throughout the country to establish working arrangements between state agencies and facilities. These methods included the use of a service contract, a written service agreement, a request for proposal, and an individual authorization without a contract or agreement. Each of these methods approach the task of arranging for facility services quite differently.

A service contract, is a signed legal document which specifically stipulates the facility services to be purchased by the state agency. Such contracts will frequently specify the method and rate of payment, as well as where the services will occur and how much of a particular service is expected to be purchased during the contract period. Under such an arrangement, both parties are obligated to fulfill the terms of the contract unless otherwise specified in writing.

A written purchase of service agreement is similar to a service contract, although a formal contract is not signed and exchanged, and the agreement implies that the state agency has the option to purchase the services in mention without a contractual obligation to do so. A letter or memorandum of agreement generally will articulate the terms of agreement. One of the differences between the service contract and the service agreement, therefore involves the level of assurance that is given to the facility of obtaining a specific annual amount of income. Some agency staff, found few differences between these methods, although the agreement, is less binding than the contract and implies the option to purchase services rather

than the obligation to do so.

"The request for proposal method is commonly used to purchase special services or programs which are being developed for the first time" (Walker et al., 1981, p. 4). This method has recently been introduced as an infrequently used primary method of arranging for an entire state's facility based services. With this method, the agency describes the services to be provided as well as any special requirements to provide the services. Facilities are asked to submit a bid with specifications as to how these services will be provided, as well as a detailed statement of the costs associated with the bid. Contracts (or letters of working agreement) are then offered to the facilities which come the closest to fulfilling the pre-established criteria established by the state agency.

The individual authorization method without a contract or written agreement, simply stipulates the service to be purchased, and the fee for that service which has been agreed upon between the vendor and purchaser. No long term written commitment stipulating the projected numbers of individuals to be served or outcomes expected are inherent with this type of arrangement. An understanding generally exists between the VR agency and facility as to each party's mutual expectations. This arrangement may be governed to some degree by the policies of the state agency and what is considered as usual and customary fees and responsibilities of the service provider.

PRICING OF THE FACILITY'S SERVICES

Another issue related to the establishment of working arrangements concerns the methods used to establish prices for facility based services. This involves specifying the rates of payment to facilities, based in total or in part upon their costs to provide the services. The primary methods frequently used are termed a uniform rate, a rate paid by the purchasers, a facility specific rate, cost reimbursement and cost reimbursement plus a fee. The following abbreviated definitions of these methods of establishing costs, were derived from the document entitled Guidelines for Agreements Between State Rehabilitation Agencies and Rehabilitation Facilities (Walker et al., 1981):

Uniform Rate - The rate of payment fixed by the state agency is uniform for all facilities providing a particular program or uniform for all facilities in a particular class.

A Rate Paid by Other Purchasers - The rate established by other purchasers of facility services and programs, also known as usual and customary fees. Medical types of services frequently fall under this category.

Facility Specific Rate - Pricing is individually negotiated between state agencies and each facility.

Cost Reimbursement - The state agency agrees to pay the facility for the actual cost of providing a service. This method sometimes involves an estimate of cost in advance in which payments are made with an adjustment made at the end of the year to correct for over payments or under payments based on actual costs.

Cost Reimbursement Plus A Fee - A modification of the basic cost reimbursement funding with a provision for the payment of actual costs incurred plus either a fixed fee or fixed percentage of the actual cost. This method may be used to compensate the facility for better than expected performance or for providing special ancillary services not included in a contract or agreement. (pp. 15-16)

METHODS OF MONITORING COSTS ASSOCIATED WITH THE PURCHASE OF FACILITY BASED SERVICES

After working arrangements have been established with facilities and methods of reimbursement for costs have been determined, the state agency may wish to use a formalized method to monitor the costs associated with the services. This may impact on the fee that the state agency actually pays for the services. The process of monitoring costs and services is viewed as important to the state agencies such that 77% of the agencies view this task as their most important role relative to facilities (Greenleigh Associates, 1975).

One method of monitoring costs uses a federal cost identification system such as that described in The Federal Register (1980). This system specifies items that may be considered as allowable costs in the operation of facility based programs purchased with dollars obtained through federal grants. State agencies may also use this system as a means of monitoring costs for all facilities providing services to the agency.

Some agencies may prefer to use a state developed cost identification system. Agencies using this type of method, may have either adapted such a systems prior to the advent of the aforementioned federally developed system or have found the need to use a special cost identification method, not available with the other system.

RENEGOTIATION OF COSTS ASSOCIATED WITH THE SERVICES PROVIDED

Under certain conditions, vocational rehabilitation facilities may be given the option to renegotiate the costs associated with a contract or written agreement after its implementation. The reasons for renegotiation of costs expressed or implied in a service arrangement may occur for a number of reasons. One example of a need for renegotiation occurs when the costs associated with providing a service are substantially higher than expected because of a sharp increase in utilities or rent, which was not expected at the time that the service arrangement was established.

Another reason for renegotiating costs occurs when the state agency does not provide the expected number of referrals to the facility, which may in turn affect the cost per client. In order for the facility to obtain the total amount of dollars that have been made available, the cost per client served may exceed the level previously agreed upon. This is most common in programs that are being purchased for the first time.

A final reason for renegotiating costs lies in the fact that occasionally the nature of the disability of the referrals demands a higher than anticipated staff to client ratio. Although this typically occurs in newly developing programs, the emphasis of the state agency to shift the focus of clients served to more severely disabled may bring about the need for re-examination of costs associated with a service arrangement.

SOURCE OF DOLLARS USED TO PURCHASE FACILITY SERVICES

One of the points of interest in the facility/state agency relationship is the source of the dollars that are being used to purchase services. The money obtained for purchasing services from facilities typically comes from funds appropriated by the federal government. The majority of these federal dollars are awarded to state agencies on the basis of an 80-20 match. With this type of funding, "the federal government will fund 80% of the dollars,

and the state must use non-federal dollars to match the additional 20%" (Greenleigh, 1976, p. 361). One notable exception occurs when a state agency, uses only state dollars to fund programs. This is apparently the practice of at least one state agency, although this was not a focus of the information collected in this study.

After obtaining dollars with which to purchase facility based services, the state agency can disburse these dollars to facilities either through the aforementioned service arrangements (contracts, etc.) or can use grants, such as equipment and staffing grants to target specific needs.

PERCENT OF TOTAL ACTIVE CASELOAD SERVED IN FACILITIES

An interesting index to examine in reviewing the relationships between the state VR agencies and facilities is the percent of the state agency's total active caseload receiving some type of facility based service in particular year. For the purpose of this research, total active caseload was defined as including all clients in statuses 10 through 24. This population includes individuals who have been declared eligible for services, but who have not yet been closed as competitively employed. Appendix D provides a listing of the case status definitions.

METHODS OF PURCHASING SERVICES

Another point of interest to agencies purchasing facility based services involves the method of purchasing service elements from facilities. Services can be purchased by the unit, slot, or by the outcome. Unit refers to services that are purchased by the hour, day, or week. The purchase of a slot describes the process of obtaining a position within the facility, or the potential to include a given number of individuals in any particular program. Services that are purchased by the slot will generally limit the total amount of people to be served in a particular program at any given point in time, and may also require the state agency to pay a facility a fee regardless of utilization. A final method of purchasing services involves the outcome method. With this method, services are paid for at the completion of the agreed upon outcome. The outcome method is frequently used in placement related services, in which the facility is paid a fee only if an individual is placed in a full time or part time competitive job. In this

type of arrangement, a fee is not paid for individuals who do not meet the pre-established outcome criteria.

PURPOSE OF THIS STUDY

The purpose of this study was to examine the current practices and trends occurring in the purchase of nonmedical, vocational rehabilitation services from public and private vocational rehabilitation facilities. This document is also intended to serve as a historical documentation of the current state of the art in the purchase of facility based, vocational rehabilitation services by state VR agencies.

The survey instrument used as the primary data source for this report attempted to address issues of mutual concern to the state vocational rehabilitation agencies that were surveyed in the course of this study, the Research and Training Center, UW-Stout, and the rehabilitation community served by both organizations.

SUBJECTS AND SCOPE OF THE STUDY

The subjects under study in this research included the eighty three state vocational rehabilitation agencies that constitute the Council of State Administrators of Vocational Rehabilitation. This group includes 26 agencies serving blind or visually impaired clients (blind agencies) and 57 agencies serving a general caseload (general agencies).

The surveys, which were mailed during the fall of 1984, specifically requested information regarding the nonmedical, facility based rehabilitation services purchased during FY1983. Thought was given to delaying the survey several months and collecting data on FY1984, however, an initial pilot study indicated that some states frequently require six months to a year or more, to complete the year end reports necessary to obtain the data which was requested in the survey. The 1983 FY was therefore selected as the year upon which to focus this research.

METHOD

DEVELOPMENT OF THE SURVEY INSTRUMENT

The questionnaire used as the survey instrument in this research (see Appendix A) was constructed over a period of approximately six months using input from a number of representatives from state vocational rehabilitation agencies. Each of the state agencies providing representatives as consultants for this particular project were members of CSAVR.

In order to determine the important issues involved in establishing and maintaining facility/state agency relationships, the literature was searched both manually and through the use of two computer based literature searches. These searches revealed that although there was an abundance of materials regarding the issues of rate setting, limited information was available on the general topic of facility/state agency relationships. Fewer publications addressed the specific issues of concern to this study namely, locating vocational rehabilitation facility vendors, negotiating contracts, agreements or service arrangements, and monitoring the working arrangements. None of the literature reviewed dealt specifically with these issues from a national perspective as the present study attempted to do.

The Facilities Committee of CSAVR provided additional insight from the purchaser's perspective, on issues not covered in the literature. This committee agreed to assist in this research effort, and provided the names of 12 state agency directors who were contacted to act as consultants to the project. The Facilities Committee also endorsed the research and encouraged member agencies to provide the requested information.

The directors of 12 state agencies, selected by the Chair of the CSAVR Facilities Committee, were contacted by letter to inform them of the purpose of the Fees For Services Study and their role in the research. A cross section of agencies serving both large and small numbers of clients, and representing rural and urban centers constituted this group. The directors representing each agency were contacted by the CSAVR Facilities Committee Chair to explain how they had been selected to serve as a pilot study member, and generally how such research could be beneficial to CSAVR in specific and to the field of rehabilitation in general. This 12 person study committee henceforth became known as the Fees for Services Subcommittee. All state

agencies that were contacted participated in a teleconference call to assist in the identification of the major issues concerning the establishment and monitoring of state agency/facility relationships, and subsequently provided a response to a preliminary pilot study.

In this preliminary pilot study, the 12 agencys' representatives were asked to respond to a series of questions regarding the process used by each agency to establish working arrangements with rehabilitation facilities and to provide abstracts of this process. The representatives of the agencies were asked to comment as well, on their opinion as to the need for a national survey to further investigate the state of the art in this area. If the respondents agreed that indeed a national survey was important, they were asked to comment on the issues important to research in this type of study.

A follow up teleconference call involving all of the participating agencies was conducted to discuss the survey. A two day meeting was subsequently held in Minneapolis, Minnesota in February of 1984, and was attended by 11 of the 12 subcommittee members. The data obtained during the pilot study were reviewed at this meeting, and the issues to be investigated in a proposed national survey were discussed.

A draft of a national survey instrument was developed by the Research and Training Center using input from five individuals from the subcommittee. The results of the pilot study and a draft of the national survey instrument were presented to the CSAVR Facilities Committee at the 1984 CSAVR Spring Conference. At that time it was recommended that certain additional items be added to the survey. Certain wording changes were also recommended in order to ensure that the survey would be understandable to all member agencies. It was further recommended that the revised version of the survey be piloted again in five of the states that served on the subcommittee.

The CSAVR Facility Committee endorsed the unanimous recommendation of the Fees for Services Subcommittee to conduct a national survey, after pilot testing the revised survey. The sample of states included in the second pilot study consisted of one state agency representing the blind agencies, and four agencies representing the general agencies.

All five state agencies responded and made comments on the survey. All respondents agreed that they were able to provide information to all items, although several recommendations were made which were incorporated into the

final version of the survey used in the national mailing. This latest pilot sample suggested that the information being requested on the existing survey instrument would take between eight hours and thirty five hours to collect and post. All items were judged to be understandable.

MAILING OF THE NATIONAL SURVEY

Modifications to the survey intended for use in the national mailing were completed and the final version of the survey was mailed in November of 1984. All state blind and general agencies constituting the entire membership of CSAVR were included in the mailing. Each mailing included a letter of endorsement, co-signed by the director of the Research and Training Center at UW-Stout, and the chair of the CSAVR Facility Committee. A one page summary sheet describing the purpose of the study, the intended target audience, instructions for completing the survey, and methods for disseminating the research findings were sent with each mailing. Copies of the entire mailing package can be found in Appendix A.

In the event that state agency staff had questions or concerns regarding the survey, a list of consultants arranged by geographical region was included with each survey. Five of the original Fees for Services Subcommittee members who had served as the original consultants to the project and who had assisted in the pilot testing of the survey were contacted and recruited to serve in this capacity. A list of the consultants are included in Appendix A.

In November of 1984, a second mailing was sent to all agencies who had not yet responded to the original survey. The second mailing included all of the items included in the original mailing with the exception of the original cover letter. This second cover letter which can be found in Appendix B, extended the due date for the surveys to the end of the 1984 calendar year. In January of 1985, telephone calls were made to state agencies which had not yet returned a completed survey, or had not indicated their intention of not providing the requested information.

By March of 1985, all but two of the surveys which would constitute the entire population of respondents had been received. A preliminary data analysis was performed at this time and was presented to the facilities committee, at the spring CSAVR conference. A subsequent analysis was

performed including the responses of the two state agencies which returned their surveys after the original data analysis was performed.

DATA ANALYSIS

As a preliminary data analysis procedure, all of the surveys were examined individually for completeness and accuracy. If it appeared as though information was inadvertently missed or appeared as questionable, the contact person identified on the face sheet of the survey instrument was contacted by telephone in an attempt to provide missing information or to verify questionable data. All items which requested totals for the data provided were re-calculated for accuracy and changes or verifications of questionable responses were sought.

The data collected was entered into a data collection file on a micro-computer and a number of descriptive statistics were calculated, including estimates of the sample's mean, standard deviation, variance, standard error of the mean, coefficient of variation, minimum values, maximum values, range, totals, median, mode, skewness, kurtosis, number of valid cases and percent of all cases included within each data subset. Finally, histograms were generated in cases where unusual distributions were obtained.

RESULTS OF THE STUDY

OVERVIEW

All references regarding facility based services within this section refer to information gathered during the course of the Fees For Services Study. This information was collected during a six month period between the fall of 1984 and the spring of 1985, using 1983 fiscal year statistics.

Due to the nature of the differences between the general and the blind agencies polled during the course of this survey, the statistics for both agencies, with the exception of Tables 1 and 2, will be presented in separate listings within each table. The narrative portion of this chapter will discuss the results presented in the various tables which are used to post the survey data.

COMMON STATISTICAL TERMS

Due to the extensive amount of information obtained in the course of this study, much of the descriptive data presented appears in table form, with an accompanying narrative. In an effort to keep the data tables as concise as possible, two common descriptive statistics, the mean and standard deviation, were selected to present and describe the results of the study. Wherever necessary, explanations within the text or in footnotes to the tables explain the rationale for presenting the data in the format selected.

The reader will note that the letters such as "n," "$\bar{X}$," and "Std Dev" are frequently used within the data tables. The symbol "n" is used to denote the number of blind or general agencies that provided the information being presented in any given table. The mean is represented by an "$\bar{X}$," a measure of the central tendency. "Std Dev" refers to the standard deviation, a measure of variability, or the extent of individual differences around the central tendency. If the same number of agencies provided information to all items in a given data table, the "n" will appear at the top of the data table (see Table 4). Bar graphs (histograms) are also used in certain instances within this report to visually display unusual distributions.

For the reader interested in a more descriptive picture of the statistical nature of the distributions associated with selected sets of responses, Appendix C provides data regarding the high and low scores, range, median, and mode. It was not considered to be necessary to provide such detailed information for all of the information collected. Appendix C, therefore, lists the tables within the text for which the appendix provides additional information.

RESPONSE RATE

A total of 83 surveys were mailed to state agency directors in the fall of 1984. Of these, 57 were sent to general agencies and 26 were sent to blind agencies. A 72% return rate was realized for the general agencies, with 41 of the 57 agencies returning their surveys. For the blind agencies, a 42% return rate resulted, with 11 of the 26 surveys returned. In total, 52 of the 83 agencies surveyed responded, for an overall response rate of 63%.

The relatively high response rate for both agencies, particularly the general agencies, appears to indicate that a good representative sample was obtained. In actuality, however, for certain of the items, a relatively poor response rate was obtained. These items are discussed in the results section, and can be easily identified within the accompanying data tables since each table clearly indicates the number of respondents with the notation (n) at the top of the table. In cases where the total number of responses varied within a data table, the reader is again cautioned to find the number of respondents to any particular item by locating to the (n) within the tables.

FACILITY USE STATISTICS FOR RESPONDING GENERAL AGENCIES

In an effort to describe the scope of the relationship between the purchasing state VR agencies and the facilities providing services to these agencies, items were included in the survey which requested information regarding the number of facilities that the state agency conducts business with as well as the amount of dollars being spent on services. Table 1 presents these facility use statistics for the general agencies which responded to the survey.

A total of 41 general agencies responded to the item which requested the number of facilities providing services to the state agency's clients. The average number of facilities providing services to this sample was 44.62, with a standard deviation of 42.53. This large standard deviation implies that wide variations existed among reporting agencies. Of this total number of facilities, on the average, approximately 41 were considered not-for-profit, approximately three were state owned or operated, while the average number of for-profit facilities per state was less than one.

The large standard deviations listed under the for-profit and state owned or operated facilities in Table 1 imply that between states there are large variations in the number of for-profit and state owned or operated facilities providing services to the purchasing general agencies. A review of the individual surveys supported this inference. In fact, most states did not conduct business with any for-profit facilities and most of those that did, only dealt with one or two. One state agency, however, reported conducting business with ten for profit facilities.

TABLE 1

FACILITY USE STATISTICS - GENERAL AGENCIES

ITEM	RESPONDING AGENCIES (n)	MEANS AND STANDARD DEVIATIONS							
		Type of Facility							
		NOT-FOR-PROFIT		FOR-PROFIT		STATE OWNED OR OPERATED		TOTALS	
		Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Number of facilities providing services to state VR agencies	(41)	41.03	40.03	.59	1.73	3.00	7.42	44.62	42.53
Dollars spent on rehabilitation services in facilities	(38)	3,036,588	3,028,095	28,638	73,780	862,373	1,801,277	3,928,369	3,384,137
Percent of total case services budget spent in facility based programs	(37)	27.82	22.26	.27%	.86	6.24%	12.68	34.33	35.80
For all clients receiving facility based services, percent of clients served in each type of facility	(36)	81.68%	29.50	.60%	1.48	17.72%	29.60	100%	60.58
Projections of where facility based services will be provided in 1990	(36)	82.92%	26.62	1.62%	3.50	15.46%	26.70	100%	56.82

In a similar vein, a number of general agencies reported that they did not deal with any state owned or operated facilities, whereas other respondents indicated that they dealt almost exclusively with state owned or operated facilities.

Due to the large variance estimates reported in Table 1, histograms were created to visually display the differences between states in regard to both the number of not-for-profit facilities (the most frequently used in this survey), as well as the total number of all types of facilities conducting business with each agency. Figure 1 displays the distribution of the number of not-for-profit facilities serving each state agency, and Figure 2 relates similar information for the total number of facilities serving each agency. A comparison of Figure 1 and Figure 2 will reveal that the not-for-profit facilities constitute the majority of all facilities providing services to the general agencies. When the total number of private for-profit and state owned or operated facilities serving each agency is added to the figures representing the total number of not-for-profit facilities, the resulting distribution (as represented in Figure 2) does not change appreciably.

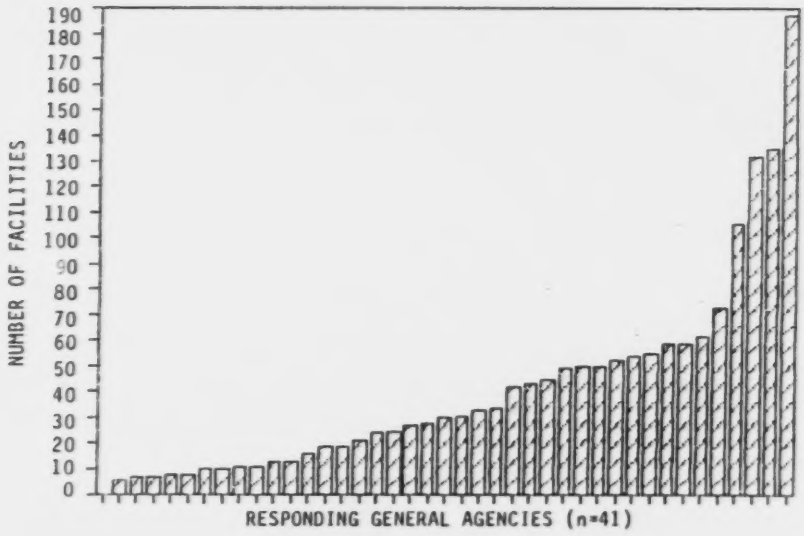

FIGURE 1: Total Number of Not-For-Profit Facilities Providing Services to State VR General Agencies in FY1983

(Note that in this and subsequent figures, the "n" represents the number of responding agencies, and does not necessarily represent the number of bars in the histogram, since an entry of "0" was not graphed)

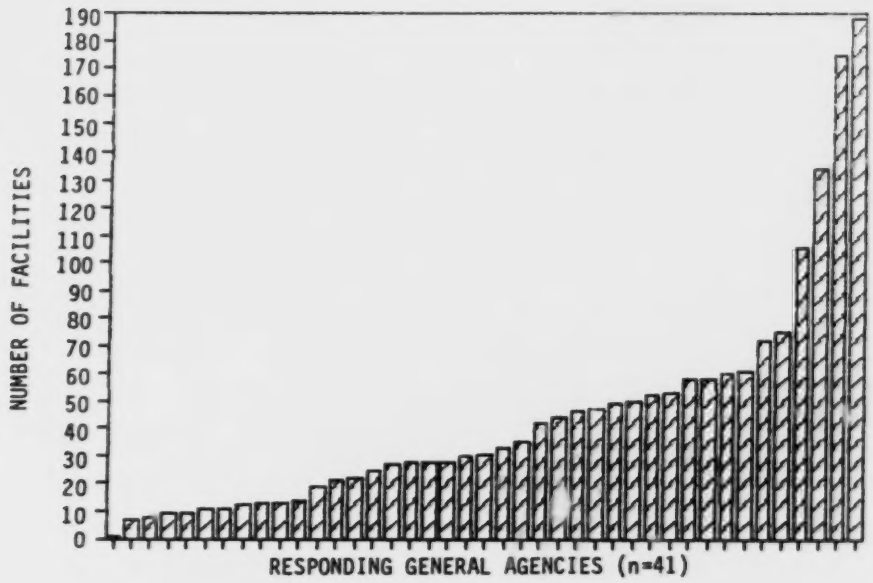

FIGURE 2: Total Number of Facilities Providing Services to State VR General Agencies in FY1983

The average amount of dollars spent by general agencies for all rehabilitation facility services, as listed in Table 1, is $3,928,369. The majority of these dollars were spent in not-for-profit facilities, with an average of $3,036,588 being spent per state. Approximately $862,373 was the average amount being spent in state owned or operated facilities, with an average of only $28,638 per state being spent on programs in for-profit facilities.

An examination of the standard deviations associated with these data indicates that wide differences again exist between states in this regard. For this reason, histograms are again used to visually display the nature of the distributions for the dollars spent in not-for-profit facilities and the total dollars spent in all three types of facilities. Figure 3 shows the distribution of dollars spent by state general agencies in not-for-profit facilities, and Figure 4 displays the total dollars spent in all three types of facilities.

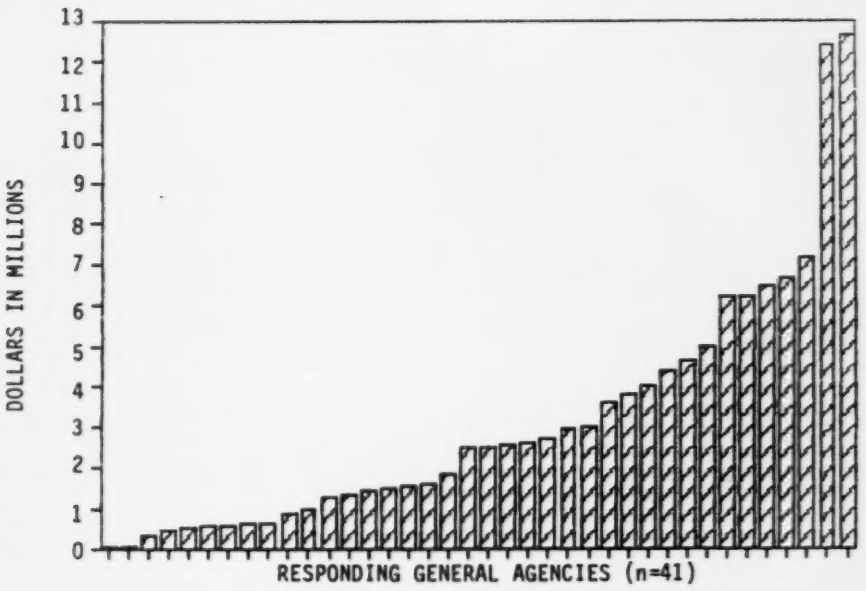

FIGURE 3: Amount of Dollars Spent in Not-For-Profit Facilities By State VR General Agencies in FY1983

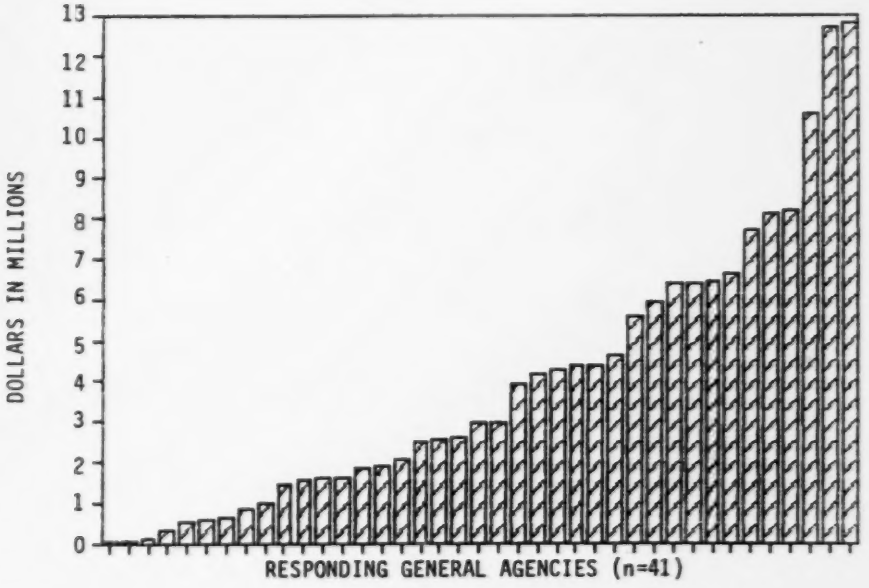

FIGURE 4: Total Amount of Dollars Spent in All Types of Facilities By State VR General Agencies in FY1983

A comparison of these two figures seems to imply that the majority of all dollars spent by the general agencies is spent in the not-for-profit facilities. Whereas this is generally true, an important fact that is not readily apparent from a review of Figures 3 and 4, is that eight general agencies (20% of the respondents), reported spending the majority of their facility dollars in state owned or operated facilities, as opposed to in private not-for-profit facilities as was the case with the majority of the agencies. This fact is not apparent from a comparison of Figures 3 and 4 as might be expected, because the ordinal position of the state agencies in each histogram is determined by the total dollars expended. Therefore a state which reported spending limited dollars in not-for-profit facilities would be represented by a bar near the left side of Figure 3. If that same agency reported spending a large amount of dollars in state owned or operated facilities, the agency's ordinal position would shift to the right side of the histogram in Figure 4 which displays the total dollars spent in all facilities. Figure 5 was therefore included to show the distribution of dollars spent by the the general agencies in state owned or operated facilities.

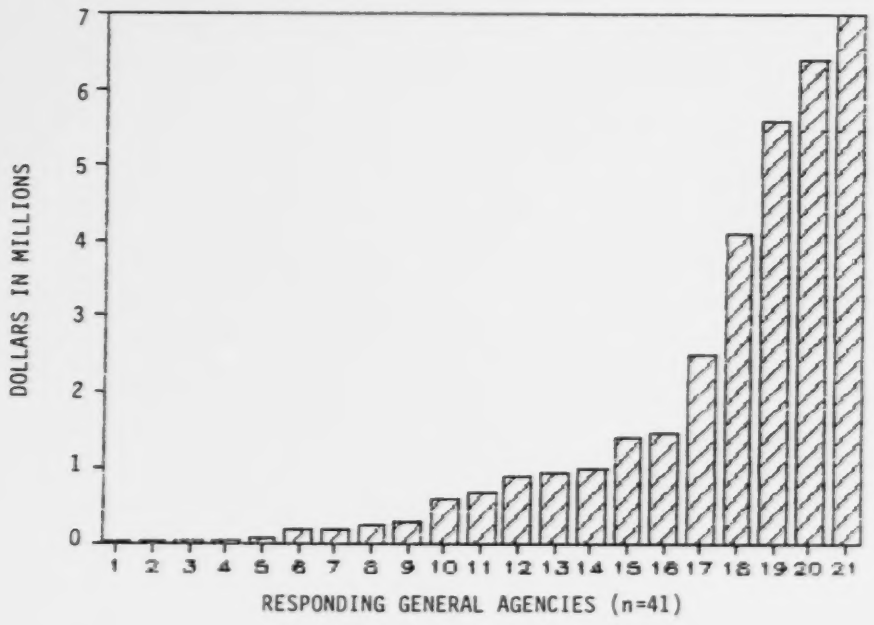

FIGURE 5: Dollars Spent in State Owned or Operated Facilities By State VR General Agencies in FY1983

An inspection of Figure 5 will reveal that of the 41 general agencies surveyed, over half responded that some money was spent in state owned or operated facilities. Wide variations existed between agencies regarding the amount of dollars spent, with nearly two thirds of the agencies dealing with state facilities spending one million dollars or less, and the remaining one third spending between seven million to slightly better than four million dollars. An examination of the individual returns revealed that the majority of the agencies using state owned or operated facilities were in the south, indicated that this is primarily a regional phenomena common to one particular area of the United States.

Referring back to Table 1, it can be seen that as a whole, the general agencies spent approximately 34.33% of their total case services budget in facility based programs. Of this total, an average of 27.82% was spent in not-for-profit facilities, 6.24% was spent in state owned or operated facilities, with an average of less than 1% of the total case services budget being spent in for-profit facilities. In fact, only eight general agencies reported conducting any business with for-profit facilities. Of these agencies, three spent approximately $250,000 per year, three agencies spent between $100,000 and $160,000 per year, and the remaining two agencies spent less than $5,000 per year.

For all general agency clients receiving facility based services, an average of nearly 82% were served in not-for-profit facilities, almost 18% were served in state owned or operated facilities, and less than 1% were served in for-profit facilities.

The general agency directors' projections of facility usage in 1990, indicates that the the types of facilities that will be utilized, and the approximate number of clients that will be served, will remain approximately the same as in 1983.

FACILITY USE STATISTICS FOR RESPONDING BLIND AGENCIES

For agencies serving the blind or visually impaired population of vocational rehabilitation clients, the use of facilities to provide services is much more limited than was the case for the general agencies. This is due in part to the fewer number of blind agencies in total as well as the fewer number of clients served by these agencies. Table 2 indicates that the

responding blind agencies collectively deal with an average of approximately eleven facilities per state. The blind agencies also typically display less variability in the number of facilities that each state deals with.

As a whole, blind agencies deal with an average of approximately ten not-for-profit facilities, and an average of slightly greater than one state owned or operated facility per state. None of the blind agencies reported purchasing services from for-profit facilities.

In terms of dollars spent on facility based rehabilitation services by blind agencies, an average total of approximately $514,120 per state agency was spent in facilities. This dollar amount was divided approximately equally between not-for-profit and state owned or operated facilities. This would indicate that although fewer state owned or operated facilities are utilized by the blind agencies, these facilities receive approximately the same amount of total dollars as the not-for-profit facilities.

As was the case with the general agencies, a wide variation existed between states in terms of the total amount of dollars spent in each type of facility. Of the eight blind agencies reporting data on dollars spent for all facility services, two reported spending over $1,000,000, three spent between $300,000 and $600,000, with three spending approximately $100,000 or less.

As a whole, an average of 37.25% of the reporting blind agency's case service budget was spent in facilities. On the average, approximately 20% of the case services budget was spent in not-for-profit facilities, with nearly 17% of the case services budget being spent in state owned or operated facilities. For all clients receiving some type of facility based service, approximately 73% of all clients are served in not-for-profit facilities, with approximately 25% being served in state owned or operated facilities, the remainder of approximately 2% are being served in for-profit facilities. The small percentage of clients receiving services in for-profit facilities were noted as receiving these services through private payment, or through other sources aside from the state agency's funds. Since the state agency's funds were not used to purchase services from the for-profit facilities, they were not counted as a provider of the services purchased by the state agencies responding, as reported in Table 2.

TABLE 2

FACILITY USE STATISTICS - BLIND AGENCIES

MEANS AND STANDARD DEVIATIONS

ITEM	RESPONDING AGENCIES (n)	Type of Facility: NOT-FOR-PROFIT Mean	NOT-FOR-PROFIT Std. Dev.	FOR-PROFIT Mean	FOR-PROFIT Std. Dev.	STATE OWNED OR OPERATED Mean	STATE OWNED OR OPERATED Std. Dev.	TOTALS Mean	TOTALS Std. Dev.
Number of facilities providing services to state VR agencies	(10)	10.25	3.54	0	0	1.25	1.28	11.50	4.00
Dollars spent on rehabilitation services in facilities	(8)	260,846	263,968	0	0	253,273	333,290	514,120	479,071
Percent of total case services budget spent in facility based programs	(8)	20.50%	10.76	0	0	16.75%	19.62	37.25%	30.38
Percent of clients served in each type of facility, for all clients receiving facility based services	(10)	73.10%	39.82	1.7%	5.38	25.2%	31.00	100	76.20
Projections of where facility based services will be provided in 1990	(7)	66.33%	37.51	2.23%	6.67	31.44%	34.21	100	78.39

A review of the projections as to where similar such services will be provided in the year 1990, indicates that the blind agencies will generally continue to use both the private not-for-profit and state owned or operated of facilities in a similar manner. An average of slightly greater than two percent of the total facility budget is anticipated to be spent in for-profit facilities in 1990.

PERCENT OF TOTAL ACTIVE CASELOAD SERVED IN FACILITIES

In order to investigate the frequency of facility use by the state agencies, the percent of each state agency's total active caseload (Status 10-24) that received some type of facility based service in FY1983 was requested. Status 10 through Status 24 was selected for investigation because these categories include people who have been declared eligible for services, but who have not yet been closed as rehabilitated. Appendix D lists the service categories used by state VR agencies, and includes a description of Statuses 10 through 24. Table 3 shows the mean percent of the total active caseload served for the general and blind agencies as well as the standard deviation.

TABLE 3

PERCENT OF TOTAL ACTIVE CASELOAD (Status 10-24)
RECEIVING SOME TYPE OF FACILITY BASED SERVICE IN FY1983

GENERAL AGENCY (n=34)		BLIND AGENCY (n=10)	
Mean	Std. Dev.	Mean	Std. Dev.
20.49	16.70	26.60	18.68

On the average, the 35 responding general agencies reported serving approximately 20.49% of their total active caseload in facilities. A standard deviation of approximately 16.70, indicated that wide variations between agencies existed. Because of these wide variations, Figure 6 is included to demonstrate the differences between states regarding this facility use statistic.

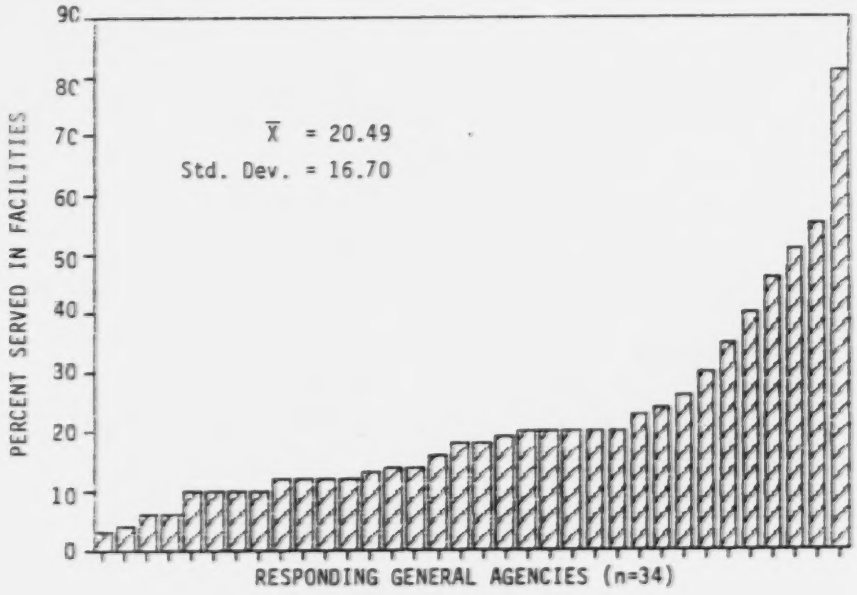

FIGURE 6: Percent of General Agency's FY1983 Total Active Caseload Served in Rehabilitation Facilities

Figure 6 illustrates the differences between the general agencies in terms of the percent of their active caseloads served in facilities. Western states, which were predominantly rural, dealt with substantially fewer facilities than their counterparts in other states and consequently are the states which tend to serve the smallest percentage of their total active caseload in facilities. The agencies with higher percents of caseloads served in facilities tended to be in more urban and industrial areas, although this was a trend with many exceptions. No apparent differences were noted between agencies using primarily state owned and operated facilities and those using primarily not-for-profit facilities, in terms of the percent of total active caseload served in facilities.

The blind agencies responding to this item reported serving an average of 26.60% percent of their total active caseload in facilities, with a standard deviation of 18.68. This relatively large standard deviation implies that considerable variation exists between agencies. In fact, one agency served 10%, five served between 14% to 20%, three served approximately 30% and one agency served 75% of its total active caseload in facilities.

FUNDS FOR PURCHASING FACILITY BASED SERVICES

State agencies were asked to determine the category of funding dollars that were spent in for-profit, not-for-profit and state owned or operated facilities in 1983. Specifically, agencies were asked to identify if the funds spent in facilities were disbursed through traditional case service dollar spending arrangements, grants (including equipment or staffing grants, etc.), or other sources. The responses of the state vocational rehabilitation agencies to this item can be found in Table 4.

An average of 83% of the general agencies disbursed the money that they spent in not-for-profit facilities through traditional case service dollar disbursements. Only 10% of the dollars spent were derived from grant dollars, with an average of 7% covering all other sources.

The funds to purchase services from the for-profit facilities, by general agencies came entirely (100%) through case service dollars. Dollars to fund state owned or operated facilities, came from all three categories, with an average of 73% of the funds from case service dollars, 5% from grant dollars and 22% from all other sources.

Only one blind agency responded to the item regarding the source of dollars used in purchasing facility services. This single response was not presented because it was felt that a single case would not adequately represent the entire population of blind agencies.

METHODS USED BY STATE AGENCIES TO PURCHASE SERVICES FROM VOCATIONAL REHABILITATION FACILITIES

State vocational rehabilitation agencies are likely to use one of several methods to arrange for the purchase of services from rehabilitation facilities. Each method may involve different types of assurances of obtaining the amount of dollars agreed upon in writing in the form of a

TABLE 4

CATEGORIES OF STATE VR GENERAL AGENCY'S FUNDS
USED TO PURCHASE FACILITY BASED SERVICES
FROM THREE TYPES OF FACILITIES
n=40

	Type of Facility					
	NOT-FOR-PROFIT		FOR-PROFIT		STATED OWNED OR OPERATED	
CATEGORY OF FUNDS	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Category I						
CASE SERVICE DOLLARS	83	27	100	0	73	42
Category II						
GRANT DOLLARS	10	15	0	0	5	18
Category III						
ALL OTHER SOURCES	7	22	0	0	22	41
TOTAL =	100%		100%		100%	

contract or written agreement. The four most popular methods used include the individual authorization, the service contract, the written purchase of service agreement and the request for proposal. These four most popular methods of purchasing services, were identified during the pilot study.

Agencies were asked to indicate the percent of facilities with which each method was used during 1983. State agencies were also asked whether or not the facility was offered a full assurance, a partial assurance or no assurance of obtaining the annual level of funding agreed upon in writing in the form of a contract or agreement. An evaluation of each method used was also requested. The responses of the general agencies to these questions can be found in Table 5.

TABLE 5

ASSURANCES AND SATISFACTION ASSOCIATED
WITH FOUR METHODS OF PURCHASING SERVICE ARRANGEMENTS

PRIMARY METHOD USED TO PURCHASE FACILITY SERVICES	GENERAL AGENCIES (n=37)					BLIND AGENCIES (n=11)				
	PERCENT USAGE	Type of Assurance % NONE	% FULL	% PARTIAL	PERCENT SATISFIED WITH METHOD	PERCENT USAGE	Type of Assurance % NONE	% FULL	% PARTIAL	PERCENT SATISFIED WITH METHOD
Individual Authorization (without contract or agreement)	55	77	15	8	85	46	89	11	0	100
Service Contract	9	25	50	25	85	30	50	50	0	100
Purchase of Service Agreement	31	44	39	17	67	23	0	67	33	67
Request For Proposal	5	67	0	33	100	*1	100	0	0	100
TOTAL	100%					100%				

*In reporting data, the state agencies frequently spread their percent of usage across two or more categories, which is reflected in this table. As an example, none of the blind agencies reported using the "Request For Proposal" method exclusively, although one agency reported using it at a 10% level for specially purchased services.

The "individual authorization" without a contract or written agreement was the most popular form of authorization used among the general agencies. An average of 55% overall usage was reported for this method. The majority, 77% of the general agencies, reported no assurance with this type of method, while 15% reported a full assurance and 8% indicated a partial assurance. In total, 85% of the respondents were satisfied with this method.

The second most popular method used by the responding general agencies was the "purchase of service agreement." An average of 31% of the state agencies reported using this method. Forty-four percent reported no assurance offered with this method, whereas 39% offered a full assurance and 17% offered a partial assurance. Sixty-seven percent indicated satisfaction with this method.

The "service contract" was the next most popular method used by the general agencies, with an average usage rate of 9% for all respondents. Twenty-five percent indicated that they offered no assurance with this method, while 50% stated that they offered a full assurance, and 25% reported that a partial assurance was offered. Eighty-five percent of the agencies indicated satisfaction with this method.

Three of the general agencies reported using the "request for proposal" method. Two used it as a primary means of securing working relationships with facilities, the other agency used it selectively. This represented an overall usage rate of 5%. Two of the three respondents offered no assurance, and one offered a partial assurance. All three agencies using this method indicated that they were satisfied.

For the blind agencies responding to this item, the "individual authorization" was again the most popular method, with an average usage rate of approximately 46%. Of these, 89% offered no assurance with this method, 11% offered a full assurance and none offered a partial assurance. All indicated satisfaction with this method.

The "service contract" was indicated as the second most popular method used by the blind agencies, with an average percent usage of 30%. Half of those using this method offered no assurance while the other half offered a full assurance. All were again satisfied with this method.

The "purchase of service agreement" was used by an average of 23% of the blind agencies responding to this item. Two-thirds offered a full assurance

and one-third offered a partial assurance. Two-thirds of the respondents indicated satisfaction with this method.

Both the general and blind agencies were asked to indicate if they used methods other than the aforementioned procedures to arrange for facility services. A number of both the blind and general agencies indicated that they did use other methods, but a review of the comments which accompanied the surveys indicated that these other methods were in fact a slight variation on one of the four methods previously described.

One frequent comment worthy of noting is that some states indicated using one of the listed methods to arrange for the purchase of services from some facilities, while another method is used with other facilities. For example, it was common for a state agency to use a written agreement as a principal method of arranging for services, although an individual authorization was used as well. The latter may be used in cases where services were purchased infrequently and therefore the total yearly capital outlay did not need to be governed by a written agreement.

Another example of how more than one method of arranging for services is used, occurred when a state agency used a purchase of service agreement to arrange for services, but used a request for proposal method to initiate a new service program such as a supported work program or a job club type of service.

METHODS OF RATE DETERMINATION

As discussed in an earlier section, the determination of rates of payments for facility services, or in other words the pricing of services, can be generally viewed as falling under one of five methods. These methods include: 1.) a uniform rate, 2.) rates paid by other purchasers, 3.) a facility specific rate, 4.) cost reimbursement, and 5.) cost reimbursement plus a fee" (Walker et al., 1981, pp. 15-16).

For the 41 general agencies responding to this item, the facility specific rate was the most popular method for determining rates, with 49% of the responding agencies indicating its use as a primary method of rate determination. Cost reimbursement was the second most popular method with 25% of the respondents indicating this as their primary method. The other most popular primary methods used included the uniform rate at 19%, and the rate

paid by other purchasers which was used by 2% of the respondents, with all other methods accounting for 5%. The method using cost reimbursement plus a fee was not used as a primary method by any of the general agencies responding to the survey.

A number of state agencies stated that more than one pricing method may be used in any given contract year. For example, one state agency reported using a facility specific rate with half of the facilities for which they conduct business, and a cost reimbursement with the remainder of the facilities. These percentages are reflected in the information that is listed in Table 6, which lists the primary and secondary methods of rate determination associated with services purchased from facilities by state vocational rehabilitation agencies.

Since it is a common practice to use one of the aforementioned techniques as a primary pricing or rate determination method, and another as a secondary or less frequently used method, agencies were also asked to identify the secondary methods which were commonly used. The most popular secondary method of rate determination as reported by the general agencies was the "rate paid by other purchasers." The "facility specific rate" was the next most popular, with the "uniform rate", "cost reimbursement" and "cost reimbursement plus a fee" being represented almost equally among the remaining respondents. The reader will note that the number listed under "total" in the category of percent used as a secondary method, does not total 100. This is due to the fact that many of the reporting agencies responded that they did not use a secondary method, or that their primary method was equally split between two methods, and therefore a secondary method was not expressed.

Among the blind agencies reporting data, the "facility specific rate" was again the most popular method, with 46% indicating that this was their primary method. The remaining methods, including the "uniform rate", the "rate paid by other purchasers" and "cost reimbursement", were each indicated as being used by approximately 18% of the respondents, with none using "cost reimbursement plus a fee" or "other" methods which were not listed. The "rate paid by other purchasers" category was again the most popular secondary method used.

TABLE 6

PRIMARY AND SECONDARY METHODS OF RATE DETERMINATION
ASSOCIATED WITH SERVICES PURCHASED FROM FACILITIES BY STATE VR AGENCIES

METHOD OF RATE DETERMINATION USED	GENERAL AGENCIES (n=41) % USING AS A PRIMARY METHOD	GENERAL AGENCIES (n=41) % USING AS A SECONDARY METHOD	BLIND AGENCIES (n=11) % USING AS A PRIMARY METHOD	BLIND AGENCIES (n=11) % USING AS A SECONDARY METHOD
Uniform Rate	19	5	18	9
Rate Paid By Other Purchasers	2	20	18	18
A Facility Specific Rate	49	13	46	9
Cost Reimbursement	25	3	18	9
Cost Reimbursement Plus A Fee	0	3	0	0
All Other Methods	5	0	0	0
TOTAL	100%		100%	

SERVICE ELEMENTS PURCHASED

An important variable in purchasing services from facilities, is the element of service that is being purchased by the state agency. For the purposes of this document, these categories of elements were determined as including 1) a unit of purchase (which includes an hour, day or week), 2) a slot within the facility, or 3) the outcome, or end product of the service. Since these were determined during the pilot study as the most popular elements identified in purchasing services, only one other category was added which included all other methods. Table 7 illustrates the frequency with which each is used to purchase services from facilities for both the blind and general agencies.

A review of Table 7 illustrates that the "unit" was the most popular method of purchasing vocational evaluation and work adjustment services for the general agencies, whereas the purchase of "slots" and "outcomes" was less common. Employment related services however, appeared to be more commonly purchased through "slots," with "units," "outcomes" and "all other methods" used with equal popularity for purchasing these types of services.

The blind agency statistics indicate that the "unit" was again the most popular method of purchasing work evaluation services, with the "slot" being the second most popular method. Work adjustment and employment related services for the blind agencies were evenly split between "unit" and "slot." Clearly, the "unit" appears to be the most popular method for purchasing most service elements for both the blind and general agencies.

TABLE 7

METHODS OF PURCHASING THREE SERVICE ELEMENTS FROM FACILITIES

HOW PURCHASED	PERCENT OF GENERAL AGENCIES			PERCENT OF BLIND AGENCIES		
	VOCATIONAL EVALUATION (n=29)	WORK ADJUSTMENT (n=32)	EMPLOYMENT RELATED SERVICES (n=11)	VOCATIONAL EVALUATION (n=4)	WORK ADJUSTMENT (n=4)	EMPLOYMENT RELATED SERVICES (n=2)
Unit*	72	78	18	75	50	50
Slot	21	13	46	25	50	50
Outcome	7	3	18	0	0	0
All Other Methods	0	6	18	0	0	0
TOTALS	100%	100%	100%	100%	100%	100%

* This category represents services purchased by the hour, day, or week.

MONITORING COSTS OF FACILITY BASED SERVICES

After working arrangements with facilities have been established, the process of monitoring the costs associated with the purchase of services becomes an important process for the state agencies. The most common methods of reviewing facility costs, as determined during the pilot study, was the use of a "state developed cost identification system," and the use of a "federal cost identification system." Another possibility that may exist is that some "other" type of method may be used to identify costs and therefore monitor services. A final possibility is that that the facility's "costs are neither reviewed nor monitored."

Table 8 indicates that a "state developed cost identification system" is reported as being used by 73% of the general agencies responding to this

TABLE 8

METHODS USED BY STATE VR AGENCIES TO MONITOR COSTS OF FACILITY BASED SERVICES

METHODS OF MONITORING COSTS	PERCENTS FOR GENERAL AGENCIES	PERCENTS FOR BLIND AGENCIES
A state developed cost identification system	73 (n=25)	36 (n=4)
A federal cost identification system - 34 CFR, Part 74.170	9 (n=3)	18 (n=2)
All other methods	9 (n=3)	18 (n=2)
None, facility costs are not reviewed or monitored	9 (n=3)	28 (n=3)
TOTALS	100% (n=34)	100% (n=11)

survey. Nine percent of the respondents reported using a "federal cost identification system," 9% "did not review or monitor costs," and 9% indicated some "other" method of reviewing costs. An examination of the "other" methods that were described indicated that they could generally be considered as a variation of a state or federally developed cost identification system, with certain characteristics unique to the informational needs of each respective agency.

Some state agencies commented that in addition to using a structured method of cost identification, other methods of monitoring costs are used as well. One agency reported comparing current costs to the costs of previous years, another used the opinions of the field counselors to estimate the cost effectiveness of programs, and another agency compared costs within their state with the costs of bordering states.

A review of the methods of monitoring costs used by blind agencies indicates that the "state developed cost identification system" was again the most popular with 36% of the respondents indicating the use of this type of system. Eighteen percent indicated that they use a "federal cost identification system," 28% indicated that facility "costs are not reviewed or monitored," and 18% described the method that they used as falling under the category of all "other" methods. A review of those respondents identifying the use of some "other" method, again identified a modified version of a state or federally developed cost identification system, which the responding agency felt was unique from other methods.

RENEGOTIATION OF COSTS ASSOCIATED WITH THE WORKING ARRANGEMENTS

Under certain conditions, the state agency may give the facility the option to renegotiate the costs associated with the provision of services after the working arrangement has been initiated. For instance, if the costs of providing the agreed upon service is higher than expected during a contract year, due to a sharp increase in utilities, rent or similar such circumstances, the state agency may allow the facility to renegotiate the terms of their working arrangement associated with these higher costs. Some agencies will allow renegotiation of costs if the state agency is unable to provide the expected number of referrals thus increasing the cost per client. Higher than anticipated client to staff ratios related to the nature

of the disabilities of the referrals may be another reason for re-negotiating costs. Table 9 lists the percent of general and blind agencies that allow cost renegotiation for these reasons.

TABLE 9

CONDITIONS UNDER WHICH FACILITIES MAY HAVE THE OPTION TO RENEGOTIATE COSTS ASSOCIATED WITH A CONTRACT OR AGREEMENT

REASON FOR RENEGOTIATING COSTS	GENERAL AGENCIES (n=41) %	BLIND AGENCIES (n=11) %
a) The costs of providing the services are substantially higher than expected (e.g., a sharp increase in utilities or rent)	54 (n=22)	64 (n=7)
b) The state agency does not provide the expected referrals which therefore increases the cost/client	29 (n=12)	27 (n=3)
c) Because of the nature of the disability of the referrals, higher than anticipated staff to client ratios are required	22 (n=9)	9 (n=4)
d) Other	32 (n=13)	9 (n=1)
e) VR facilities are not allowed to renegotiate costs	5 (n=2)	18 (n=2)

Of the 41 general agencies responding to the items detailed in Table 9, 54% responded that renegotiation of costs was allowable if "the costs of providing the services are substantially higher than expected." Twenty nine percent will allow renegotiating costs if "the state agency does not provide the expected referrals" which therefore increases the cost per client. Renegotiation of costs was allowed by 22% of the agencies if, "because of the nature of the disability of the referrals, higher than anticipated staff to client ratios are required." Five percent of the responding general agencies reported that vocational rehabilitation "facilities are not allowed to renegotiate costs." Thirty two percent of the agencies allowed for renegotiation of costs for "other" reasons. An examination of the comments under the category entitled "other," revealed that these issues were generally utilization issues which may well have been listed under item c in Table 9.

A total of 64% of the responding blind agencies noted that costs could be renegotiated if "the costs of providing the service were substantially higher than expected," while 73% stated that renegotiation was possible if "the state agency did not provide the expected referrals." Another 9% allowed renegotiation if "the nature of the referrals demanded a higher than anticipated staff to client ratio" and 9% indicated "other" reasons. Eighteen percent of the blind agencies stated that "facilities are not allowed to renegotiate costs."

Both the general and blind agencies commented that costs may be adjusted up or down depending on a number of factors, utilization being the most frequently cited reason. Adjustments are frequently affected by the language describing such transactions, in the contract, written agreement or memorandum of understanding.

OTHER PURCHASERS OF FACILITY SERVICES

In addition to the state VR agency, there are a number of additional purchasers of the services offered by facilities. The purchase of services by others may well be an important factor in the state agency/facility relationship, especially if other purchasers co-fund specific program elements.

In order to identify the most frequent purchasers of facilitys' services, in addition to the VR agencies, a list of other frequent purchasers of the facility services were provided, and the agency directors were asked to determine which of the listed agencies were indeed other major purchasers. The list was established as a result of the information collected during the pilot study. Usable responses were obtained from 40 general agencies and 11 blind agencies. Table 10 presents a listing of the responses to the state agency directors. The reader will note that Table 10 lists the purchasers in the order most frequently cited by the general agencies. The blind agencies listed along side of the general agencies are not entirely in the order of the most to the least frequently cited purchasers.

The most frequent other purchasers of facilitys' services cited by the general agencies responding to this survey include "agencies representing developmentally disabled" and "school systems." These two other purchasers were identified by 85% and 83% of the responding general agencies respectively, with "agencies representing the mentally ill" running close behind with 75% of the general agencies listing them as a major purchaser. These purchasers were followed, in the order of their frequency, by the "Department of Labor" at 60%, "alcohol and chemical abuse agencies" at 53%, the "Veteran's Administration" at 45%, followed by "corrections," at 20%.

Fifty-five percent of the blind agencies, indicated that "agencies representing alcohol or chemical abusers" were the most frequent other purchasers of facilitys' services. This was followed by "agencies representing the developmentally disabled" at 27%; with "school systems," "agencies representing the mentally ill" and "corrections" each listed by 18% of the respondents.

TABLE 10

MAJOR PURCHASERS OF FACILITY BASED REHABILITATION SERVICES
OTHER THAN THE STATE VR AGENCY

PURCHASERS OF FACILITY BASED SERVICES	STATE AGENCY ESTIMATES IN PERCENT	
	GENERAL AGENCIES (n=40)	BLIND AGENCIES (n=11)
Agencies representing developmentally disabled	85	27
School systems	83	18
Agencies representing mentally ill	75	18
Department of Labor	60	0
Agencies representing alcohol or chemical abusers	53	55
Veteran's Administration	45	0
Corrections	20	18

SERVICES PURCHASED BY THE STATE AGENCIES

Generally speaking, the most common types of facility based services that have traditionally been purchased by the state agency have included programs of vocational evaluation, work adjustment, skill training and employment related services. Questions were posed to determine the typical types of facility based programs being purchased nationally by the state agencies.

First, agencies were asked to report the number of people served in the categories of Vocational Evaluation, Work Adjustment, Skill Training, and Employment Related Services. Next, agencies were asked to indicate the average number of days that they expected a client to be involved in each of the four program elements, in order to determine if the agencies had any notion of the length of time that they were expecting their clients to be involved in such programs.

The maximum allowable program length for each of the four program elements in terms of days in the program, was requested to determine if the state agencies had any rules of thumb or guiding principles for how long they would generally allow their field counselors to authorize clients in a particular service area. Next, the average cost per day for each of the service elements was requested. Finally, information regarding the total funds expended in Fiscal Year 1983 for each element of service was solicited.

Table 11 provides the means and standard deviations of the data obtained for each of the aforementioned items from the general and blind agencies. The number of respondents reporting is also listed, to give the reader an idea of the number of agencies contributing information to each particular item. Since many of the agencies were able to provide some but not all of the data being requested, items for which there were few respondents may viewed as not representative of the entire population of agencies.

The reader should be cautioned that the summary information listed for each column in Table 11 was calculated directly from the information provided for that column on the survey sheets and can not be calculated from the data within the table. Because of the variation in the number of agencies providing information within several of the categories, calculating an average from the data presented in the data tables will not provide the same figures that are listed in the tables. The data presented represents

TABLE 11

VOCATIONAL REHABILITATION PROGRAMS AND SERVICES PURCHASED BY STATE VR GENERAL AND BLIND AGENCIES IN FOUR BROAD SERVICE AREAS

SERVICE AREA	GENERAL AGENCIES					BLIND AGENCIES				
	NUMBER SERVED	AVER. DAYS EXPECTED TO COMPLETE	MAXIMUM DAYS ALLOWABLE	*AVERAGE DOLLAR COST/DAY	TOTAL DOLLARS EXPENDED/AGENCY	NUMBER SERVED	AVER. DAYS EXPECTED TO COMPLETE	MAXIMUM DAYS ALLOWABLE	*AVERAGE DOLLAR COST/DAY	TOTAL DOLLARS EXPENDED/AGENCY
VOCATIONAL EVALUATION										
Mean	2,371	26	54	$27.06	$1,009,666	184	10	28	$65.44	$ 99,240
Std. Dev.	2,306	50	60	19.72	861,879	202	0	0	45	82,881
Responding Agencies (n)	(25)	(21)	(16)	(21)	(22)	(5)	(2)	(1)	(3)	(4)
WORK ADJUSTMENT										
Mean	1,537	85	178	$20.07	$2,124,854	306	95	365	$45.71	$460,222
Std. Dev.	1,730	45	134	5	2,052,247	393	7	0	41	385,942
Responding Agencies (n)	(28)	(23)	(16)	(24)	(24)	(5)	(2)	(1)	(3)	(5)
SKILL TRAINING										
Mean	251	** --	--	--	$ 464,533	319	--	--	--	$ 49,849
Std. Dev.	217	--	--	--	369,936	566	--	--	--	32,278
Responding Agencies (n)	(17)	--	--	--	(12)	(4)	--	--	--	(4)
EMPLOYMENT RELATED SERVICES										
Mean	497	27	28	$14.38	$ 264,125	118	300	0	$23.31	$ 33,535
Std. Dev.	708	24	27	13	296,313	116	0	0	0	0
Responding Agencies (n)	(15)	(8)	(6)	(6)	(11)	(3)	(1)	(0)	(1)	(1)

* Figures posted under the category of "Average Dollar Cost/Day" were derived from the information provided by the respondents and cannot be computed from other data in this table because of unequal numbers of respondents replying to each category item.

** Data was not requested under Skill Training where the dashes appear in the table.

means of all responses for that particular item in each respective data set.

Table 11 clearly indicates that vocational evaluation is the service element most frequently purchased in facilities, with work adjustment being the second most popularly purchased service. Whereas the facilities served an average of 65% more people in vocational evaluation programs than they did in work adjustment, nearly twice as much money was spent in facilities on work adjustment programs.

For skill training programs, specific information regarding the average cost per day, maximum days allowable and the average days expected to complete the program were not requested, because of the wide variety of programs provided in this area and the frequent use of multiple sources to fund these services.

EMPLOYMENT RELATED SERVICES

The category of "employment related services" was an area that frequently is not as well defined as vocational evaluation and work adjustment types of services due to the wide variety of approaches and programs relating to job placement. As the pilot study revealed, the vocational rehabilitation facility is often expected to provide job placement services as part of another program, and in some instances, the state vocational rehabilitation agency also provided a job placement service in conjunction with the programs in the rehabilitation facility. Numerous other services are frequently included under the category of employment related services that are more of a preparation for placement or as a follow-up after placement. In some cases unique programs such as "crisis or work site intervention and remediation" programs are offered in an attempt to salvage an individual's job placement if problems arise on the job.

For these reasons, a specific breakdown of the employment related services being purchased was obtained using an item designed to specifically identify the services purchased within this category. The survey also attempted to identify the chief providers of these services (either a state vocational rehabilitation agency, a vocational rehabilitation facility or another source) as well as simply whether or not these services were provided to the state agency's client. If these placement related services were purchased from a rehabilitation facility, the agencies were requested to

respond to whether the service was provided as part of another service such as work adjustment training or skill training, or if it was available as a separate purchasable service. Table 12 provides the information obtained through this particular item.

As Table 12 reveals, the majority of the general agencies provide all or most of the "Service Elements" listed. Similarly, all of the blind agencies stated that they provided all of the listed services with the exception of "Job Club" and "community based supported or transitional work sites," in which only 64% of the respondents indicated that these services were provided. Furthermore, both the general and blind agencies reported that most of the employment related services may also be included as part of another service element, when these services are being provided by the facility.

One of the limitations regarding the manner in which the employment related services information was collected, lies in the fact that state agencies were asked to specify the agency which provided the employment service elements listed on the questionnaire, without regard to their corresponding frequency of purchase. In one instance, a state agency indicated that a job club type of program was being provided in six sites throughout the state on a provisional basis to determine the effectiveness of such training programs. Conceivably, although 93% of the state general agencies indicated that job club services were being provided, these services may indeed be provided to a limited number of clientele within the state as in this example, despite the fact that the data suggests a more widespread use of this service.

A further limitation of the employment related information collected is that the categories of services elements may not have been clearly understood by the respondents. One return mentioned that job seeking was a service that was being provided to the state agency's clients, however, a further comment stated that it was incumbent upon the facility to ensure that this service was provided to each client as appropriate. It was suggested that in some cases the job seeking skills service was not a structured class with a curriculum as one may imply, but rather an approach used by work adjustment counselors to insure that their clients were ready for direct placement. At least one of the responding agencies, therefore, responded affirmatively to

TABLE 12

PROVIDERS OF EMPLOYMENT RELATED SERVICES FOR STATE VR GENERAL AND BLIND AGENCIES

SERVICE ELEMENT	GENERAL AGENCY (n=40)					BLIND AGENCY (n=11)			
	OVERALL % OF AGENCIES PURCHASING OR PROVIDING SERVICE	PERCENT OF PROVIDERS OFFERING EACH SERVICE			% PROVIDED AS PART OF ANOTHER SERVICE	OVERALL % OF AGENCIES PURCHASING OR PROVIDING SERVICE	PERCENT OF PROVIDERS OFFERING EACH SERVICE		% PROVIDED AS PART OF ANOTHER SERVICE
		Voc Rehab Facility	State VR Agency	All Other Providers			Voc Rehab Facility	State VR Agency	
Job Seeking Skills	95	78	73	18	81	100	27	91	67
Job Club	93	48	58	10	69	64	18	46	50
Job Placement	100	83	93	18	72	100	36	91	80
Placement Follow-Up or Follow-Along	100	75	92	8	82	100	27	91	75
Crisis or Work Site Remediation	93	70	80	10	87	100	27	91	75
On-The-Job Training	100	63	85	15	40	100	46	73	57
Community Based Supported or Transitional Work Sites	95	88	33	8	61	64	36	46	80

providing job seeking skills, although this service may well have been a very loosely structured and individualized part of the work adjustment program as opposed to a structured group activity as was implied.

DIAGNOSTIC, THERAPEUTIC AND OTHER WORK RELATED SERVICES

In addition to the aforementioned services that are purchased by the state agency from facilities, other types of programs and services may be purchased as well. These services include psychologicals, medicals, transportation and similar types of services which may be purchased under formalized service arrangements, but more commonly are purchased as a stand alone service. These services may be available through the rehabilitation facility, or in some instances through private clinics as may be the case with medical, psychological and psychiatric services.

State agency directors were asked to examine a list of these additional services, and indicate with a check mark those services that are purchased or that the state agency has the option to purchase. This list of services, as established from the findings of the pilot study, were grouped into three general service areas as listed in Table 13. The three service areas include "diagnostic services," "time limited therapeutic services" and "other vocationally related services."

As the reader examines Table 13, it will become apparent that the services have been arranged in the three categories from most frequently purchased, to least frequently purchased, on the basis of the responses of the general agencies. The responses of the blind agencies follow a similar distribution in terms of the frequency with which they are purchased, with the exception of those items falling under the "Other Vocationally Related Services." For the most part, the general and blind agencies purchasing patterns are very similar, with the exception that blind agencies apparently purchase transportation and habilitation services less frequently than the general agencies, although they purchase transitional sheltered employment more frequently.

Examining the services purchased by the general agencies, it will be noted that the most frequently purchased services include transportation (88%) and psychological evaluations (73%). Homecraft was the service most infrequently purchased.

TABLE 13

DIAGNOSTIC, THERAPEUTIC, AND OTHER VOCATIONAL RELATED SERVICES PURCHASED IN FACILITIES BY GENERAL AND BLIND VR AGENCIES

SERVICE	GENERAL AGENCIES (n=40) PERCENT OF RESPONDENTS PURCHASING SERVICE	BLIND AGENCIES (n=11) PERCENT OF RESPONDENTS PURCHASING SERVICE
Diagnostic Services		
Psychological Evaluations	73	73
Medical Examinations and Diagnostics	58	45
Psychiatric Evaluations	50	45
Time Limited Therapeutic Services		
Interpretive Services	60	55
Mobility Training	53	55
Psychotherapeutic Services	43	36
Alcohol Education or Therapy Services	40	18
Other Vocational Related Services		
Transportation	88	64
Habilitation Services	65	27
Transitional Sheltered Employment	55	82
Extended Sheltered Employment	53	64
Rehabilitation Engineering	45	36
Work Site Modification	38	45
Home Craft	18	27

For the blind agencies, transitional sheltered employment was the most frequently purchased service, followed by the purchase of psychological evaluations. As was the case with the employment related services, one can not determine from the data the quantity of services purchased. One can only determine the frequency with which the reporting agencies responded that they currently have arrangements to purchase or have the option to purchase the services listed.

MONITORING THE STATE AGENCY/FACILITY SERVICE ARRANGEMENT

The relative satisfaction with the methods of monitoring the service arrangements currently being used throughout the nation were examined using a number of items designed to explore these issues. Table 14 lists the survey statements used to investigate these topical areas, along with the general and blind agencys' responses to each statement.

A review of Table 14 will reveal that 63% of the general agencies and 46% of the blind agencies feel that a system is currently being used to monitor facility costs that is satisfactory. Since the review of costs associated with a particular service arrangement is apparently an issue of central concern to the purchasing agencies, it was felt that it was important to determine if the agencies were using systems of accounting or cost identification similar to those being used by other purchasers of the facilitys' services. Only 5% of the general agencies responded that indeed they were using the same cost accounting or cost identification system as other purchasers, and none of the blind agencies were able to state this affirmatively. A full 50% of the general agencies were uncertain as to the systems used by other purchasers, with 91% of the blind agencies uncertain as well.

Nearly three-quarters of the general agencies felt that it was important for the state agency to be informed of the nature and extent of facility services purchased by other agencies in order for them to establish and monitor service agreements and contracts, and 64% of the blind agencies felt similarly. In practice, however, only 26% of the general agencies indicated that such a coordination of the purchase of facility based services for setting rates or co-funding programs actually occurs. Thirty-six percent of the blind agencies stated that they coordinate the purchase of services with

TABLE 14

RESPONSES OF STATE AGENCIES TO ISSUES OF MONITORING FACILITY SERVICE COSTS

SURVEY STATEMENT	GENERAL AGENCIES NUMBER OF AGENCIES RESPONDING (n)	% AGREE	% DISAGREE	PERCENT UNCERTAIN	BLIND AGENCIES NUMBER OF AGENCIES RESPONDING (n)	% AGREE	% DISAGREE	PERCENT UNCERTAIN
A) A system is currently being used to monitor facility costs that is satisfactory	(41)	63	37	0	(11)	46	54	0
B) Other purchasers of facilities services are known to use the same method of monitoring facility's costs	(40)	5	45	50	(11)	0	9	91
C) Services purchased from facilities are coordinated with the state VR agency for the purpose of setting rates or to co-fund programs	(39)	26	74	0	(11)	36	64	0
D) It is important for the state VR agency to be informed of the nature and extent of facility services purchased by other agencies in order to establish and monitor service agreements or contracts	(40)	75	15	10	(11)	64	0	36
E) The state VR agency is informed of the nature and extent of facility services purchased or funded by other parties	(41)	39	61	0	(11)	36	64	0

other purchasing agencies. Furthermore, 61% of the general agencies and 64% of the blind agencies reported that they were not informed of the nature and extent of facility services purchased by or funded through other parties, although a majority of both agencies felt that this was important information for them to have.

THE NEED FOR STATE AND FEDERAL POLICIES RELATIVE TO THE ESTABLISHMENT OF WORKING ARRANGEMENTS BETWEEN THE STATE AGENCIES AND FACILITIES

Due to the complexity of the issues pertaining to establishing fees for services and determining costs associated with services, the need for either a national or state policy to guide these processes was explored. The general and blind agencies were asked to respond to two questions: 1) "Should the Rehabilitation Services Administration (RSA) develop a nationwide uniform system to determine costs and establish fees for services, and 2) should individual states develop a system applicable to all purchasers of facility services that could be used to determine costs and establish fees for services." The responses of both the general and blind agencies are included in Table 15.

Fifty percent of the general agencies felt that RSA should develop a policy to determine costs, whereas only 18% of the blind agencies polled responded similarly. On the issue of whether or not RSA should develop a nationwide uniform system to establish fees for services, only 20% of the general agencies and 18% of the blind agencies agreed.

Regarding the issue of whether or not individual states should develop a system applicable to all purchasers of a facility's services that could be used to determine costs, 71% of the general agencies and 64% of the blind agencies expressed agreement. Similarly, 55% of the general agencies and 64% of the blind agencies felt that individual states should develop a system applicable to all purchasers of the facilitys' services that could be used to establish fees for services.

From the responses to these specific items, and from the comments made by the survey respondents regarding these items, some support for the development of a nationwide uniform system to determine costs was expressed by the general agencies, although little support on this issue was given by the blind agencies. A majority of both the blind and general agencies were

TABLE 15

STATE VR AGENCY'S AGREEMENT FOR THE NEED TO DEVELOP FEES FOR SERVICES AND COST DETERMINATION POLICIES

ITEM	GENERAL AGENCIES # OF RESPONDENTS (n)	% AGREE	% DISAGREE	% UNCERTAIN	BLIND AGENCIES # OF RESPONDENTS (n)	% AGREE	% DISAGREE	% UNCERTAIN
RSA should develop a nationwide uniform system to:								
a. Determine costs	(40)	50	37	13	(11)	18	55	27
b. Establish fees for services	(40)	22	61	17	(11)	18	55	27
Individual states should develop a system applicable to all purchasers of facility's services that could be used to:								
a. Determine costs	(38)	71	18	11	(11)	64	18	18
b. Establish fees for services	(38)	55	28	17	(11)	64	18	18

opposed to an RSA policy for the establishment of fees for services.

A fairly strong agreement was expressed by both the general and the blind agencies which suggested that policies for determining costs should be a matter for the individual states to decide. Support was also given by both the general and blind agencies for the notion that the establishment of fees for services should be a matter to be decided within each individual state rather than through a federal RSA uniform policy. Many of the comments suggested that systems for determining costs and establishing fees for services should be used as flexible guidelines to be referred to, rather than as suggested policies. Numerous comments were also made which suggested that flexibility within any system must exist to take into account the individual circumstances of the state agency and the particular facility that the agency is dealing with. Sufficient flexibility within each respective state was also viewed as an important consideration, since geographical differences frequently present unique problems in regard to the provision of rehabilitation services.

DISCUSSION AND SUMMARY OF THE RESEARCH FINDINGS

This project was concerned with examining a number of issues regarding the nature of the relationships between state VR agencies and rehabilitation facilities. Specifically, this study: 1. researched the methods used by state VR blind and general agencies in establishing working arrangements with facilities; 2. reviewed the extent of the services purchased under such agreements; and 3. explored the opinions of the administrators of the state agencies regarding the need for governmental policies in establishing fees for services and determining costs associated with these services.

The sample used for this research was comprised of 41 state agencies serving a general caseload, and 11 agencies serving a caseload of blind or visually impaired people. A return rate of 72% for the general agencies and 42% for the blind agencies was obtained. Thus, the sample used appears to be a representative sample of the state agencies as a whole.

Since this research involved a study of the practices of the state VR agencies which constitute the entire membership of The Council of State Administrators of Vocational Rehabilitation, an advisory committee was

formed using representatives of that organization's member agencies. Members of this committee served as consultants to this project, and provided assistance in identifying appropriate content material and language to use in the survey instrument, due to the fact that the literature review revealed that little information was available relative to this specific topic. Many of the practices which were researched during the course of this study, were identified by this subcommittee, and the description of the practices investigated arose from discussions during meetings and teleconference calls of the subcommittee. The nature of the information collected as a result of this research was therefore influenced to some degree by the particular interests of the consultants.

At the onset of this project, the specific terms being used to describe the various processes involved in obtaining facility based services were undetermined, therefore considerable time was spent in establishing a common language which could be used to describe the processes involved in arranging for, purchasing and monitoring of facility services. Thus, a pilot study was deemed necessary in order to field test the survey instrument intended to examine these various processes and to determine whether or not the information being requested was available and accessible to the state agencies. Even after the initial pilot test of the survey instrument, and a subsequent trial of the revised survey with another group of agencies, problems arose in terms of understanding the nature and intent of some of the items. The fact that similar practices are frequently described in different terms among the various agencies, proved to be a major difficulty encountered in this study.

METHODS USED BY STATE VR AGENCIES IN ESTABLISHING WORKING ARRANGEMENTS WITH FACILITIES

The majority of both the blind and general agencies surveyed used the individual authorization without a contract or written agreement as a primary method of obtaining facility based services. Most of these agencies offered no assurance with this type of method. Purchase of service agreements and service contracts were also commonly used by both types of agencies, with the practice of offering a partial or full assurance occurring more frequently with these two particular methods. An examination of the

individual returns from all responding agencies indicated that few differences existed between the service contract and the written agreement, other than the level of assurance expressed, which represents the major difference between the two instruments. The contract implies a more formalized legal obligation to purchase services than the agreement, which tends to stipulate the terms of the arrangement without a legal obligation to purchase an agreed upon quantity of services.

The request for proposal method of arranging for facility services was indicated by two general agencies as a primary method used. One of these agencies offered a partial assurance with this method, while the other offered no assurances. Another agency reported using the request for proposal method as a primary method for newly created services, which actually represented a small percentage of all of the facility services being purchased. A partial assurance was offered by this agency. One blind agency stated that the request for proposal method was used as a primary method of contracting for new services being offered for the first time, with no assurances being offered.

The majority of all state agencies indicated satisfaction with the type of service arrangements that were being used, regardless of the method used to make these arrangements.

RATE DETERMINATION (PRICING)

The most popular method of determining a rate for services, which was used by both the general and blind agencies, involved a facility specific rate. Cost reimbursement, uniform rate and a rate paid by other purchasers were used by both types of agencies to a lesser extent. Cost reimbursement plus a fee was not used as a primary pricing method by any of the agencies responding. The rate paid by other purchasers was the most frequently used secondary method indicated by general and blind agencies.

METHODS OF PURCHASING SERVICE ELEMENTS

The purchase of a unit (hour, day or week) was the most popular way of quantifying the services purchased for blind and general agencies. The next most popular method used was the purchase of a slot within a facility. The purchase of a service by an outcome was the least popular method used by the

general agencies, and was not used at all by the blind agencies.

MONITORING FACILITY COSTS

Monitoring of the costs associated with the services purchased from facilities was a common practice for 93% of the general agencies, and 78% of the blind agencies. A state developed cost identification system was the most popular method of monitoring costs for both types of agencies. A federal cost identification system such as that described in 45 CFR part 74 (Federal Register, 1973) or a similar type of method was used by the remainder of those agencies that did monitor costs.

RENEGOTIATION OF COSTS

The majority of the general and blind agencies allowed facilities to renegotiate the costs associated with providing a service to the state agency after the terms of the service arrangement were agreed upon, if certain unusual circumstances existed. The most frequently cited circumstance for which to renegotiate costs involved a sharp increase in the cost of providing a service. Renegotiation of costs was also allowed by some of the agencies if the state agency did not provide the anticipated number of referrals, or if the staff to client ratio was higher than anticipated due to the nature of the disabilities of the referrals.

OTHER MAJOR PURCHASERS OF VR SERVICES IN FACILITIES

In addition to their purchase of services from facilities, most of the general and blind agencies noted that a number of other organizations were also considered major purchasers of similar types of facility services. Agencies representing alcohol and chemical abusers were the most frequently cited other major purchasers for the blind agencies, whereas the general agencies identified agencies representing developmentally disabled and mentally ill, and the school systems as the largest other purchasers.

THE EXTENT OF FACILITY SERVICES PURCHASED BY STATE AGENCIES

Wide variations existed between the various general agencies in the costs of the various services, length of service, and number of people served in facility programs. These wide variations occurred in all services under

study, including vocational evaluation, work adjustment, skill training and employment related services. The number of blind agencies responding to these items was limited, therefore the data obtained may not be representative of that group of agencies.

For the general agencies, work evaluation was the most frequently purchased service. Work adjustment and employment related services were the next most frequently purchased service elements, with skill training being the least purchased service.

Employment related services were studied in greater detail than were the other service elements already mentioned, because of the wide variety of services offered under this general heading. For the blind agencies, all of the listed services were indicated as being available to all of the agencies responding, except for job club and community based work stations which were available to most but not all of the responding agencies. The majority of all of the employment related services were provided by the state agency, although facilities provided a substantial amount of employment related services as well. For those employment related services that were provided in the facility, the services were typically provided as part of another service such as work adjustment. This was true for job seeking skills, job club, on-the-job training, crisis or work site remediation, community based transitional employment, as well as job placement and follow-up services.

Most of the general agencies also provided or had the option to provide all of the employment services under study. Many of the responding general agencies also indicated that the services listed were available both in facilities and through the state agency. Most of the services that were available in facilities, were provided as a part of another service element as was the case with most of the blind agencies.

DIAGNOSTIC, THERAPEUTIC, AND OTHER FACILITY SERVICES PURCHASED

In addition to the traditional types of facility based services typically purchased by the state agency, are the diagnostic, therapeutic and other vocational related services which the facility provides as well. Both the general and blind agencies demonstrated similar types of patterns in terms of their purchase of these services. Transportation and psychological evaluations were the services most frequently purchased by the state agency,

while transitional sheltered employment and psychological services were the services most frequently purchased by the blind agencies.

OPINIONS OF STATE ADMINISTRATORS REGARDING THE NEED FOR POLICIES ON ESTABLISHING FEES FOR SERVICES AND DETERMINING ASSOCIATED COSTS

A majority (63%) of the general agencies agreed that a system was currently being used to monitor facility costs that is satisfactory, where as only 46% of the blind agencies responded similarly. The majority of the blind agencies and about half of the general agencies were uncertain as to the method of monitoring costs that were being used by other purchasers of facility services. The majority of both the general and blind agencies indicated that they did not coordinate their service arrangements with other purchasers of facility services. It was not a common practice for either the blind or general agencies to be informed of the nature and extent of the facility services being purchased or funded by other parties, although the majority of both agencies felt that this was an important practice in order to establish and monitor service agreements or contracts.

Approximately one-half of the general agencies felt that RSA should develop a nationwide uniform system to determine costs associated with facility based services, where as the majority (61%), were opposed to such a policy for establishing fees for services. The blind agencies generally disagreed with the need for an RSA policy on either issue. The majority of both types of agencies supported the need for individual states to develop systems applicable to all purchasers of facilitys' services in order to determine costs and establish fees for services. Numerous comments were made, however, that any policy in this regard should be flexible enough to allow for special circumstances and geographical differences within states.

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APPENDIX A

UW-STOUT/CSAVR SURVEY ON FEES FOR SERVICES

RESEARCH AND TRAINING CENTER

- Research
- Training
- Development
- Demonstration

STOUT VOCATIONAL REHABILITATION INSTITUTE
SCHOOL OF EDUCATION AND HUMAN SERVICES
UNIVERSITY OF WISCONSIN-STOUT • MENOMONIE, WISCONSIN 54751

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October, 1984

Dear Director:

The Council of State Administrators of Vocational Rehabilitation and the University of Wisconsin-Stout Research and Training Center are soliciting your participation in a national survey on fees for services. The Research and Training Center worked closely with the CSAVR Facilities Committee and other state agency representatives to develop the enclosed survey which focuses upon service arrangements between the state agency and facilities for reimbursements to vocational rehabilitation services.

Enclosed are two copies of the survey. One may be used as a working copy and the other for the final draft of the survey which is to be returned in the self-addressed, stamped envelope. A copy of this letter and the survey are also being sent to the person designated as your facility specialist representative.

The enclosed insert designates survey consultants who are staff members from five state VR agencies involved in the construction and pilot testing of the survey. Each of these individuals are familiar with the survey, and therefore have been assigned to work with the state agencies completing the survey. If you have any questions regarding the nature or intent of any of the survey items, please feel free to contact the survey consultant assigned to your region.

It is our intent to provide a preliminary report of the initial findings of this survey to the CSVAR Facility Committee at the fall conference in November. We would greatly appreciate your reply by November 2.

Thank you for your participation in what we consider a timely and important research effort.

Sincerely,

Peter Griswold

Peter Griswold
State Director,
Michigan Rehabilitation Services
Chair, CSAVR Facility Committee

Daniel C McAlees

Daniel C. McAlees, Ph.D.
Director,
Research and Training Center
University of Wisconsin-Stout
Menomonie, Wisconsin 54751

cc: Facility Specialist

UNIVERSITY OF WISCONSIN-STOUT IS AN EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION UNIVERSITY.

UW-STOUT/CSAVR SURVEY ON FEES FOR SERVICES

Purpose of the Study

The purpose of this study is to document the practices and trends that occurred in the purchase of non-medical, Vocational Rehabilitation (VR) services from public and private, community based VR facilities in fiscal year (FY)1983. The survey will address issues of mutual concern to CSAVR, the Research and Training Center, and to the rehabilitation community served by both organizations.

Target Audience

The attached survey is being sent to all CSAVR member agencies. When providing the information requested please keep in mind that this survey was designed to examine the practices relevant to non-medical facilities for the FY 1983. It does not matter if you use a state or federal FY, as long as you consistantly use the *same time period* throughout the entire survey. The phrase non-medical facilities intends to imply that such facilities provide chiefly vocationally related services to the state VR agency, although medical type services (such as employment physicals, medical consultation, and therapeutic services) may be provided through the facility as well.

Dissemination of Results

The results of this study will be provided to CSAVR in detail in the form of a non-interpretive summary report. The particular information provided by any participating state agency will not be singularly identified in any manner, rather, totals for each item will be provided. Additional publications may also result. Every effort will be made in any subsequent publication to similarly ensure the confidentiality of the individual state agency that provided information.

Instructions for Completion of the Survey Instrument

In order to ensure complete and accurate information, it is suggested that the Administrator of each respective state agency completely review the entire questionnaire package before beginning to collect the requested information. Please attempt to answer all questions and provide all the requested information. If you encounter difficulty in understanding what is being requested, please contact your CSAVR Survey Consultant listed on the enclosed insert, or Dr. Dale Thomas of the Research and Training Center, located at the University of Wisconsin-Stout, Menomonie, WI, (715)232-1351.

In each questionnaire packet you will find a final mail-in version of the survey, as well as a working copy. Please return the mail-in copy to UW-Stout in the self-addressed stamped envelope by November 2, 1984 so that the information can be analyzed and presented at the fall meeting of CSAVR in San Diego, California.

Thank you for your cooperation in this research effort.

UW-STOUT/CSAVR SURVEY ON FEES FOR SERVICES

Identification Data

Type of State VR Agency:

☐ Blind Agency
☐ General Agency

Title of Agency (include the name of your state):

_____

_____

Signature and title of the administrator who reviewed the information provided in this survey on behalf of the state VR agency.

Signature _____

Name _____ Job Title _____

Date _____

Please list the name, job title and telephone number of the person who can be contacted if information needs to be clarified.

Name	Job Title	Phone Number

1. Please furnish the following information regarding the *facility based* VR services that your state agency provided (through contracts, purchase of service agreements or other types of arrangements) during fiscal year (FY) 1983. Column 1 below lists the question being asked. Column 2 requests the totals for the figures in the three boxes in column 3. Column 3 requests information specific to each of the three types of VR facilities described in each subheading. Column 4 asks if the information provided in columns 2 and 3 came from actual data or estimates. Please attempt to answer every question. A shaded box indicates that an answer is not appropriate or is not expected.

Column: 1	2	3			4	
Questions	Total	Type of VR Facility			Source of Data	
		Not For Profit	For Profit	State Owned or Operated	Estimate (✓ one)	Actual Data
A. How many VR facilities provided services to your agency's clients in FY 1983?						
B. What was the dollar amount that you spent for services in each type of VR facility listed to the right in FY 1983?						
C. Of the total dollar amount listed above for each type of VR facility, what percent in each category came from:						
1. Case Service Dollars		%	%	%		
2. Grants (equipment, staffing, etc.)		%	%	%		
3. Other		%	%	%		
D. What percent of your total FY 1983 Case Services budget was spent in each type of VR facility?	%	%	%	%		
E. For all clients served in the three types of VR facilities listed to the right (in FY 1983), what was the percent served in each category? (Total should equal 100%).	100%	%	%	%		

Column: 1	2	3			4	
Questions	Total	Type of VR Facility			Source of Data	
		Not For Profit	For Profit	State Owned or Operated	Estimate (✓ One)	Actual Data
F. For all clients that you will serve in the three types of facilities in 1990, please estimate the percent of clients that you are likely to serve in each respective category.	100%	%	%	%		
G. What percent of your total active caseload (status 10-24) in FY 1983 received some type of facility based service?	%					

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2. State VR agencies are likely to use several methods to purchase services from VR facilities which may involve different forms of assurances. Examine the methods of service arrangements and assurances listed below and indicate:

(a) the percent (%) of facilities with which you had such an arrangement in FY 1983;

(b) whether you offered the VR facility a full assurance, a partial assurance or no assurance of obtaining the annual level of funding agreed upon in writing in the form of a contract or agreement;

(c) whether you feel that this method is satisfactory or unsatisfactory.

Method	%	Assurances			Evaluation	
		No Assurance	Full Assurance	Partial Assurance	Satisfactory	Unsatisfactory
A. Individual Authorization (without contract or agreement)						
B. Service Contract						
C. Purchase of Service Agreement						
D. Request For Proposal						
E. Other (please describe) _____						

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Comment on the above as necessary: _____

3. Check the method below that best describes how a VR facility's costs for service are determined. If more than one method is used, indicate the primary method with a "1" and the secondary method with a "2," etc. Costs are based upon:

a) *A Uniform Rate* - "The rate of payment fixed by the state agency is uniform for all VR facilities providing a particular program or uniform for all VR facilities in a particular class." ☐

b) *A Rate Paid by Other Purchasers* - "The rate established by other purchasers of VR facility services and programs, also known as, usual and customary fees." Medical types of services frequently fall into this category. ☐

c) *A Facility Specific Rate* - "Pricing is individually negotiated between the state agency and each VR facility." ☐

d) *Cost Reimbursement* - "The state agency agrees to pay the VR facility for the actual cost of providing a service. This method sometimes involves an estimate of costs in advance, upon which payments are made with an adjustment at the end of the year to correct for overpayments or underpayments based on actual costs." ☐

e) *Cost Reimbursement Plus A Fee* - A modification of the basic cost reimbursement funding is a provision for the payment of actual costs incurred plus either a fixed fee or a fixed percentage of the actual costs. This method may be used to compensate the VR facility for better than expected performance or for providing special ancillary services not included in a contract or agreement. ☐

f) Other (please describe) _____ ☐

4. Which of the following methods best describes the system that your state agency uses to monitor VR facility costs?

a) A state developed cost identification ☐

b) A federal cost identification (such as that described in CFR-45, part 74) ☐

c) Other (please explain)_____ ☐

d) VR facilities costs are not reviewed or monitored by the agency. ☐

5. Do you have a system for monitoring VR facilities' costs that you find satisfactory? ☐ Yes ☐ No

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6. If requested, would you be willing to provide a copy of the written procedures associated with this system to the CSAVR facilities committee?
☐ Yes ☐ No

7. Under certain conditions VR facilities may be given the option to renegotiate costs after a contract or agreement has been established. Please review the statements below that most closely describes your agency's policy on this matter. Check all that apply.

VR Facilities are allowed to renegotiate costs if:

a) the costs of providing the services are substantially higher than expected (e.g., a sharp increase in utilities or rent, etc.). ☐

b) the state agency does not provide the expected referrals which therefore increases the cost/client. ☐

c) because of the nature of the disability of the referrals, higher than anticipated staff to client ratios are required. ☐

d) Other (please explain) _____

e) VR facilities are not allowed to renegotiate costs. ☐

8. As a state administrator, do you feel that RSA should develop a nationwide, uniform system for:

A. Determining costs ☐ Yes ☐ No ☐ Uncertain

B. Establishing fees for services ☐ Yes ☐ No ☐ Uncertain

Comments: _____

9. It has become apparent in recent years, that other organizations purchase VR facility services that are the same as or similar to those purchased by the state VR agency. Examine the list below and indicate with a check mark all other major purchasers of such services from VR facilities in your state.

a) State, county or municipal agencies for developmentally disabled ☐

b) State, county or municipal agencies for mentally ill ☐

c) State, county or municipal agencies for alcohol or drug abusers ☐

d) Corrections ☐

e) School systems ☐

f) Department of Labor ☐

g) Veteran's Administration ☐

h) Others (please describe if necessary) _____ ☐

10. A. Other than those purchasers of VR facility services listed above, are there other public agencies that provide funds (as opposed to purchase) to help support VR services in your state? ☐ Yes ☐ No

B. If yes, please list them: _____

11. Is your state agency kept informed as to the nature and extent of the VR facility services purchased or funded by other parties? ☐ Yes ☐ No

12. Is the purchase of VR facility services by other parties coordinated with your agency in terms of setting rates for services or co-funding of programs? ☐ Yes ☐ No

13. Do you feel that it is important for the state VR agency to be informed of such matters in order to establish and monitor service agreements or contracts? ☐ Yes ☐ No ☐ Uncertain

14. Do other purchasers of VR services use the same system for accounting or cost identification that your agency uses? ☐ Yes ☐ No ☐ Uncertain

15. Do you feel that your state should develop a system, applicable to all purchasers of a VR facility's services, that could be used to:

A. Determine costs ☐ Yes ☐ No ☐ Uncertain

B. Establish fees for services ☐ Yes ☐ No ☐ Uncertain

Comments: _____

16. In order to obtain an idea of the variety and extent of VR services being purchased nationally by state VR agencies, please provide answers to the following questions regarding the services purchased by your state agency in FY 1983.

Service Element	Number of People Served in FY 1983	How Purchased: Slot, Hour, Day, Week or Outcome. (if other please list) in FY 1983	Average Days Expected in FY 1983	Maximum Allowable Program Length (in days) in FY 1983	Average Cost Per Day in FY 1983	Total Funds Expended in FY 1983
VOCATIONAL EVALUATION						
WORK ADJUSTMENT or PERSONAL ADJUSTMENT TRAINING						
*SKILL TRAINING (facility based services only)		* Because of the wide variety of programs provided in this area, you will only be asked to give a general estimate of the number of people served and total funds expended for all skill training programs.				
JOB PLACEMENT AND EMPLOYMENT RELATED SERVICES						

17. Examine the services listed below that fall under the general category of Employment Related Services in Column A. Under Column B, check the category that answers the question, "Who provided this service in FY 1983?" Check all that apply. Under Column C, check the column that answers the question, "How was this service funded?" Check both columns C-1 and C-2 if both apply.

Column A Employment Related Services	Column B Who provided this service in FY 1983?				Column C If you indicated in B-1 that this service was purchased from a vocational rehabilitation facility how was this service funded?	
	1 Voc. rehab. facility	2 State VR agency	3 Other (please list)	4 Not provided to our state agency's clients	1 As part of another service such as work adjustment, skill training, etc.	2 As a separate purchasable service
JOB KEEPING SKILLS						
JOB CLUB						
JOB PLACEMENT						
PLACEMENT FOLLOW-UP OR FOLLOW-ALONG						
CRISIS OR WORK SITE REMEDIATION						
ON THE JOB TRAINING						
COMMUNITY BASED SUPPORTED OR TRANSITIONAL WORK SITES						
OTHER (please list or describe)						

18. Please check all other rehabilitation facility based services that you purchase or have an option to purchase.

- Medical examinations and diagnostics ☐
- Psychological evaluations ☐
- Psychiatric evaluations ☐
- Psychotherapeutic services ☐
- Alcohol education or therapy services ☐
- Rehabilitation engineering ☐
- Work site modification ☐
- Habilitation services (for developmentally disabled, chronic mentally ill or others) ☐
- Transportation ☐
- Transitional sheltered employment ☐
- Extended sheltered employment ☐
- Home craft ☐
- Interpretive Services ☐
- Mobility Training ☐

Other services not listed elsewhere (please list)

_____

_____

_____

_____

_____

19. Please use this space to list any concerns or comments regarding this survey.

SURVEY CONSULTANTS FOR THE UW-STOUT/CSAVR FEE FOR SERVICES STUDY

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APPENDIX B

SURVEY FOLLOW-UP LETTER

RESEARCH AND TRAINING CENTER
STOUT VOCATIONAL REHABILITATION INSTITUTE
SCHOOL OF EDUCATION AND HUMAN SERVICES
UNIVERSITY OF WISCONSIN-STOUT • MENOMONIE, WISCONSIN 54751

• Research
• Training
• Developmen
• Demonstrati

Daniel C. McAlees, Ph.D.
Center Director
(715) 232-1369

Charles C. Coker, Ph.D.
Research Director
(715) 232-2236

Darrell D. Coffey, Ed.D
Training Director
(715) 232-137

Dear (Agency Director):

The UW-Stout/CSAVR survey on fees for services is now being completed. To date we have received a response from all but 28 of the CSAVR member agencies. A number of the responses that we did receive were incomplete, with some of the agencies stating that they were unable to provide certain of the information being requested. It is therefore vitally important for us to attempt to solicit a response from every state agency that has not yet responded, in order to assure the accuracy and validity of this study.

Attached you will find an additional copy of the survey and a self-addressed stamped envelope. If at all possible, we would appreciate your completion of the survey by February 15, 1985.

If you are unable to complete the entire survey, your response to those items that require an opinion as to policies and practices would be helpful. These items have been highlighted on your survey. The time required to complete these items should be less than ten minutes. If you do not wish to response to the survey, please write a statement to this effect on the front of the survey and return it in the enclosed envelope.

Thank you for your attention in this matter.

Very truly yours,

Daniel C. McAlees, Director
Research and Training Center

Pete Griswold, Chairperson
CSAVR Facilities Committee

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UNIVERSITY OF WISCONSIN-STOUT IS AN EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION UNIVERSITY.

APPENDIX C

ADDITIONAL DESCRIPTIVE STATISTICS FOR DATA TABLES 1 AND 2 (ROWS 1, 2, 3 AND 4 OF BOTH TABLES); TABLE 3; AND TABLE 11

FACILITIES THAT PROVIDED SERVICES TO STATE VR AGENCY CLIENTS IN FISCAL YEAR 1983 BY TYPE OF FACILITY

	GENERAL AGENCIES			BLIND AGENCIES		
	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED
Number of Valid Cases	40	8	24	10	0	7
Mean	41.03	.59	3.00	10.25	0	1.25
Standard Deviation	40.03	1.73	7.42	3.54	0	1.28
Range	187	10	36	11	0	4
Minimum	1	0	0	4	0	0
Maximum	188	10	36	15	0	4
Median	30	0	1	11	0	1
Mode	7	0	0	11	0	1

TOTAL DOLLAR AMOUNT OF SERVICES PURCHASED BY STATE VR AGENCIES
IN FISCAL YEAR 1983 IN THREE TYPES OF VR FACILITIES

	GENERAL AGENCIES			BLIND AGENCIES		
	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED
Number of Valid Cases	38	9	19	8	8	8
Mean	3,082,081	29,392	936,196	260,840	0	253,273
Standard Deviation	3,055,205	74,618.4	2,102,477	263,968	0	333,290
Range	12,664,759	300,000	9,300,000	778,990	0	973,148
Minimum	0	0	0	43,200	0	0
Maximum	12,664,758	300,000	9,300,000	822,190	0	973,148
Median	2,500,000	0	2,243	186,000	0	168,270
Mode	2,500,000	0	0	None	0	0

PERCENT OF STATE VR AGENCY'S CASE SERVICES BUDGET
SPENT IN THREE TYPES OF VR FACILITIES
IN FISCAL YEAR 1983

	GENERAL AGENCIES			BLIND AGENCIES		
	% NOT-FOR-PROFIT	% FOR-PROFIT	% STATE OWNED OR OPERATED	% NOT-FOR-PROFIT	% FOR-PROFIT	% STATE OWNED OR OPERATED
Valid Cases For Each Type Facility	37	8	17	8	0	5
Mean	27.82	.27	6.24	20.50	0	16.75
Standard Deviation	22.26	.86	12.58	10.76	0	19.62
Minimum Value	2.9	0	0	6	0	0
Maximum Value	72	5	45	40	0	48
Median	23.50	0	0	21.50	0	9.00

PERCENT OF ALL STATE VR CLIENTS SERVED IN FISCAL YEAR 1983
WHO RECEIVED SOME TYPE OF FACILITY BASED SERVICE

	GENERAL AGENCIES			BLIND AGENCIES		
	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED	NOT-FOR-PROFIT	FOR-PROFIT	STATE OWNED OR OPERATED
Number of Valid Cases	37	7	20	10	1	6
Mean	81.68%	.60%	17.72%	73.10%	1.7%	25.2%
Standard Deviation	29.50	1.48	29.60	39.82	5.38	31.00
Range	100%	5%	100%	100%	17%	83%
Minimum	0	0	0	0	0	0
Maximum	100%	5%	100%	100%	17%	83%
Median	95.00%	0	4.50%	77.50%	0	14%
Mode	100%	0	0	100%	0	0

VOCATIONAL REHABILIATION SERVICES PURCHASED FROM REHABILITATION FACILITIES IN FISCAL YEAR 1983

Service Element	GENERAL AGENCIES					BLIND AGENCIES				
	Number of People Served	Avg Days Expected	Maximum Length	Average Cost/Day	Average State Expenditure in FY1983	Number of People Served	Avg Days Expected	Maximum Length	Average Cost/Day	Average State Expenditure in FY1983
VOC EVAL										
Number of State Agencies	25	21	16	21	22	5	2	1	3	4
Mean	2371	26	54	27.06	1,009,666	184	10	20	60.00	279,392
High	8416	240	240	49.00	4,000,000	536	10	20	113.00	1,000,000
Low	75	5	5	12.00	18,700	50	10	20	23.31	18,424
Median	2339	14	30	25.00	993,038	97	10	N/A	52.00	137,544
Std. Dev.	2306	50	60	19.72	861,879	202	0	0	34.44	409,177
WORK ADJUSTMENT										
Number of Valid Cases	28	23	16	24	24	5	2	1	3	5
Mean	1537	85	178	20.07	2,124,854	306	95	240	46.82	460,222
High	6500	180	546	27.00	9,300,000	1008	100	240	92.00	1,000,000
Low	20	30	40	10.00	16,000	89	90	240	15.00	108,059
Median	962	60	155	20.00	2,007,346	145	95	240	30.00	314,500
Std. Dev.	1730	45	134	5.50	2,052,247	393	7	0	41	385,942
SKILL TRAINING										
Number of Valid Cases	17	Data Was Not Requested in This Category			12	4	Data Was Not Requested in This Category			4
Mean	251				464,533	319				49,849
High	718				1,047,000	1168				86,035
Low	17				26,057	21				16,500
Median	200				414,210	44				48,431
Std. Dev.	217				369,936	566				32,278
JOB PLACEMENT AND EMPLOYMENT RELATED SERVICES										
Number of Valid Cases	15	8	6	6	11	3	1	0	1	1
Mean	497	27	28	14.35	264,125	118	240	0	23.31	33,535
High	2391	60	60	35.00	930,000	240	240	N/A	23.31	33,535
Low	0	0	0	0	0	9	240	N/A	23.31	33,535
Median	202	21	22	12.92	126,469	106	240	N/A	23.31	33,535
Std. Dev.	708	24	27	13	296,333	116	0	0	0	0

APPENDIX D

VR CASE STATUS DEFINITIONS

VR CASE STATUS DEFINITIONS

Status 00: Referral. This status represents entrance into the VR process of a prospective client.

Status 02: Applicant. When the client has completed Form VR-1 (Application), he officially enter Status 02.

Status 06: Extended Evaluation (18 months). Clients admitted to Status 06 must leave this status within 18 months from the date of certification. They go to either Status 10 (accepted) or Status 08 (closed).

Status 10: Acceptance and Plan Development. Case study and diagnosis reveals that the client meets the three basic criteria of eligibility enabling him to move into Status 10. A general medical examination in all cases and specialists exams, as needed, to establish and diagnose disability, have been secured and examined by the agency's appropriate medical consultant(s).

Status 12: Plan Completed: Following the establishment and recording of a vocational objective and a related rationale, the case is placed in Status 12.

Status 14: Counseling and Guidance Only. When the only service as outlined in the plan is guidance and counseling and expenditure of other service monies is not anticipated.

Status 16: Physical Restoration. The client is placed in this status if he receives medical, surgical, psychiatric, or therapeutic treatment if this is the VR service of longest duration.

Status 18: Training. The client is placed in this status if training is the service of longest duration.

Status 20: Ready for Employment. All VR services have been essentially completed and client is ready for a job.

Status 22: In Employment. Client has begun work activity, following provision of DVR services.

Status 24: Services Interrupted. If VR services are interrupted while client is in Status 14 through 22, client is placed in this status.

Status 26: Closed Rehabilitated. A case can be closed rehabilitated provided it entered Status 10, received substantial VR services, and the client has completed at least 30 days of successful work activity.

Status 28: Closed Not Rehabilitated (after plan was initiated). If case must be closed due to lack of success in VR process, transfer to another state or death client, he is closed in this status.

Status 30: Closed Not Rehabilitated (From Statuses 10 and 12). The same reasons for closure apply as in Status 28 and case recording, etc., are applicable.

Status 32: Post-Employment Services. Post employment services are those which may require periodic counselor-client contact, interviews, minimal expenditures, and other services to maintain the client in employment.

APPENDIX E

STATE AGENCIES RESPONDING TO THE UW-STOUT/CSAVR FEES FOR SERVICES STUDY

STATE AGENCIES RESPONDING TO THE
UW-STOUT/CSAVR FEES FOR SERVICES STUDY

GENERAL AGENCIES

1. Alabama Division of Rehabilitation
2. American Samoa Vocational Rehabilitation
3. Arizona Rehabilitation Services Bureau
4. Arkansas Division of Vocational Rehabilitation
5. California Department of Rehabilitation
6. Colorado Division of Rehabilitation
7. Connecticut Division of Vocational Rehabilitation
8. D.C. Vocational Rehabilitation Services Administration
9. Florida Office of Vocational Rehabilitation
10. Georgia Division of Vocational Rehabilitation
11. Hawaii Vocational Rehabilitation
12. Idaho Vocational Rehabilitation Service
13. Illinois Department of Rehabilitation Services
14. Indiana Rehabilitation Services Board
15. Kansas Division of Vocational Rehabilitation
16. Louisiana Division of Vocational Rehabilitation
17. Maine Bureau of Rehabilitation Services
18. Massachusetts Rehabilitation Commission
19. Michigan Rehabilitation Services
20. Minnesota Division of Vocational Rehabilitation
21. Missouri Division of Vocational Rehabilitation
22. Montana Rehabilitation Services Division
23. Nevada Rehabilitation Division
24. New Jersey Division of Vocational Rehabilitation
25. New Mexico Division of Vocational Rehabilitation
26. New York Office of Vocational Rehabilitation
27. North Carolina Division of Vocational Rehabilitation Services
28. North Dakota Department of Vocational Rehabilitation
29. Ohio Rehabilitation Services Commission
30. Oregon Vocational Rehabilitation Division
31. Pennsylvania Bureau of Vocational Rehabilitation
32. Rhode Island Division of Vocational Rehabilitation
33. South Dakota Department of Vocational Rehabilitation
34. Texas Rehabilitation Commission
35. Utah Division of Rehabilitation Services
36. Vermont Vocational Rehabilitation Division
37. Virginia Department of Rehabilitative Services
38. Washington Division of Vocational Rehabilitation
39. West Virginia Division of Vocational Rehabilitation
40. Wisconsin Division of Vocational Rehabilitation
41. Wyoming Division of Vocational Rehabilitation

BLIND AGENCIES

1. Arkansas State Services for the Blind
2. Florida Division of Blind Services
3. Kentucky Bureau for the Blind
4. Louisiana Blind Services Program
5. Mississippi Vocational Rehabilitation for the Blind
6. North Carolina Division of Services for the Blind
7. Oregon Commission for the Blind
8. Texas State Commission for the Blind
9. Vermont Division of Services for the Blind
10. Virginia Department for the Visually Handicapped
11. Washington Commission for the Blind

APPENDIX F

SOURCE OF DATA FOR SURVEY ITEMS 1A-1G

SOURCE OF DATA FOR SURVEY ITEMS 1A-1G

SURVEY ITEM	PAGE LOCATION	GENERAL AGENCIES			BLIND AGENCIES		
		ACTUAL DATA	ESTIMATE DATA	NOT LISTED	ACTUAL DATA	ESTIMATE DATA	NOT LISTED
1-A		75%	25%	0	80%	20%	0
1-B		69%	31%	0	25%	75%	0
1-C-1		65%	35%	0	25%	63%	13%
1-C-2		40%	28%	31%	24%	38%	3%
1-C-3		38%	22%	40%	12%	38%	5%
1-D		54%	46%	0	62%	38%	0
1-E		57%	43%	0	56%	33%	11%
1-F		0	100%	0	1	100%	0
1-G		35%	65%	0	11%	89%	0